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NEWS SUMMARY

GENERAL

Curbs on S. Africa press urged

Tighter government control over South Africa's press was urged by the Steyn Commission into the Mass Media in a report to the South African Parliament.

It proposed a new body—with some Government-appointed members—which would set up a register of journalists and administer a code of conduct. Offending journalists could be fined or banned from the profession.

The Opposition called the proposals "a deadly blow to a free and independent press in South Africa." Page 3

El Salvador aid

The Reagan administration plans to send El Salvador military equipment worth $55m at once, in addition to normal aid. Page 4

Ecevit goes free

Former Turkish Premier Bulent Ecevit was released from prison after serving two months of a three-month sentence for criticising the military rulers.

Poles pay more

Polish food prices rose by up to 400 per cent. Protests were forbidden. Unrest after previous rises toppled two Communist Party leaders. Food credits, Back Page

N-power pledge

Energy Secretary Nigel Lawson predicted a big rise in the number of nuclear power stations in the UK, if they kept up their safety record. Page 8

Expulsion call

Portugal's Communist Party demanded the expulsion of British Ambassador Hugh Byatt, saying he congratulated the government on breaking Lisbon strikes. Page 2

Italian arrests

Italian anti-guerrilla police arrested five suspected Red Brigades members. Italy has asked Colombia to extradite another suspect.

No extradition

A London court discharged six Italians from extradition proceedings. Italy said they belonged to a neo-fascist group and were wanted for terrorist offences.

Prior proposal

Northern Ireland Secretary James Prior told the Official Unionist Party he was considering an elected assembly to which power would gradually be devolved. Page 8

Run for help

The Mersey Marathon along Liverpool's waterfront is to be *retired in September after 14 years, to raise funds for Alder Hey children's hospital.*

Trousers down

Output of working trousers in the Soviet republic of Byelorussia is expected to fall 18 per cent this year. Izvestia newspaper predicted a shortage for several years.

Briefly . . .

Guatemala army found 25 bodies, victims of political violence; 13 had been tortured.

Former East German border guard escaped over a minefield into West Germany.

Death toll in Salzburg avalanche rose to 13.

Michael Baughan, rector of All Souls, Langham Place, London, is to be Bishop of Chester.

Phone-a-horescope service started: 01-246 8000, 6am to 6pm.

BUSINESS

Fears of rising US rates hit markets

● GILTS led the market lower, reflecting the reaction in U.S. bonds to last week's money supply figures and fears of tighter American short-term interest rates. The Government Securities Index fell 0.50 to 64.65. Page 26

● EQUITIES tended lower, influenced by Wall Street's weakness. The FT 30-share index fell 7.8 to 572.0. Page 26

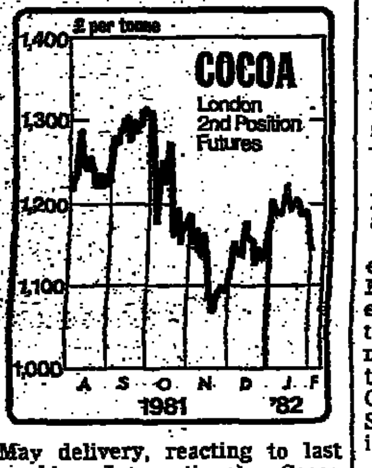
● *WALL STREET was down 14.08 at 857.02 near the close.* Page 24

● DOLLAR rose to DM 2.3500 (DM 2.3155), SwFr 1.8750 (SwFr 1.8475) and Y232.50 (Y228.25). Its trade-weighted index was 110.9 (109.8). Page 22

● STERLING was firmer overall, despite weakening 1.95c against the dollar at $1.8615 in London. It rose to DM 4.3775 (DM 4.3575) and SwFr 3.4925 (SwFr 3.4750). Its trade-weighted index was 91.8 (91.7). Page 22

● *GOLD fell $8 to $379 in London. In New York, the Comex February close was* $381.90. Page 22

● COCOA PRICES fell £25 to £1,141.50 a tonne in London for



May delivery, reacting to last week's International Cocoa Council meeting. Page 25

● FRENCH Government efforts to assist troubled industries could draw the world into a new phase of greater protectionism, the OECD warns. Back Page

● AUSTRIA'S visible trade deficit with Comecon countries trebled last year to Sch 12.2bn (£400m) due mainly to costlier fuel imports. Page 4

● PAPER INDUSTRY has asked the Chancellor for aid in the Budget to offset fuel tax costs. Page 5

● PORT OF DOVER handled record traffic volume last year with almost 6 per cent more freight lorries and passenger numbers up 13 per cent. Page 7

● LEYLAND TRUCKS director told workers at Bathgate, Scotland, *that their 11-day-old strike and sit-in protest against redundancies threatened the plant's future.* Page 8

● INCO of Canada, the world's largest nickel producer, reports a net loss for 1981 of $469.5m (£252m) after provisions, against a 1980 profit of $36.9m.

● MILLS & ALLEN International, the financial services and advertising group, has agreed to buy Guy Butler, the UK money broker, and the Chapdelaine Group, the U.S. securities dealer. Back Page

● HILLARDS, the West Yorkshire supermarket group, increased pre-tax profits in the half year to last November by 28 per cent to £2.22m (£1.73m). Page 16

● *TEXTURED JERSEY taxable* profits in the half-year to October 31 fell to £325,000 (£411,000). Page 16

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			FALLS		
Ansbacher (Henry)	19	+ 1¼	Treas 11½pc 1985	£90¼	— ⅛
Assc Comms A	73	+ 4	Treas 13pc 2000	£87¼	— 1¼
Channel Tunnel	175	+ 20	Barclays Bank	456	— 12
Clark (Matthew)	166	+ 8	De La Rue	707	— 30
Dunbar	615	+ 25	Dowty	125	— 9
Fairclough Cnstrctn	158	+ 7	GUS A	493	— 12
Fisons	218	+ 36	GKN	180	— 6
Holden (A.)	182	+ 24	ICI	332	— 8
Huntleigh	108	+ 8	Midland Bank	336	— 9
Kellock Trust	32	+ 5	*Ocean Transport*	122	— 6
Lake and Elliot	52	+ 8	Plessey	370	— 7
Leadenhall Sterling	120	+ 55	Royal Insurance	352	— 8
Mills and Allen	508	+ 18	Stndrd Telephones	465	— 13
Nimslo	152	+ 12	*Textured Jersey*	82	— 13
Oliver (G.) A	128	+ 8	BP	296	— 6
Securicor A	197	+ 7	Shell Transport	376	— 6
Tyzack (W.) Sons	46	+ 6	Blyvoor	509	— 16
Ward White	66	+ 5	ERGO	294	— 19
Peko-Wallsend	352	+ 12	Gopeng Cnsd	560	— 70
			Hong Kong Tin	450	— 75
			Kinta Kellas	700	— 50

Pressure on Opec to reduce output or cut crude oil prices

BY RAY DAFTER, ENERGY EDITOR

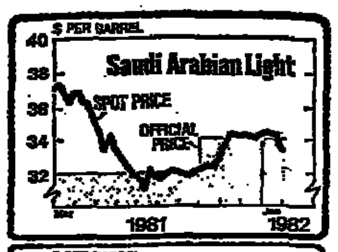
THE Organisation of Petroleum Exporting Countries, facing a collapsing spot market, is under pressure to *cut crude oil prices* or make a big reduction in output.

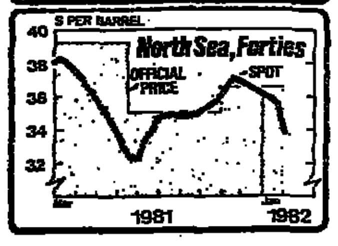
International oil companies *said last night the major producers* would have to act quickly to prevent spot prices tumbling further. They thought Saudi Arabia would shoulder most of the responsibility for bringing the market into balance.

The Saudis—the world's leading oil exporters—were expected to reduce their production ceiling of 8.5m barrels a day by between 1m and 2m b/d. In this way Saudi Arabia might be able to defend the basic Opec reference price of $34 a barrel set last October, industry officials commented.

But it still seemed likely that producers of the types of crude oil least in demand—very light and very heavy grades—would be forced to trim official tariffs.

Latest industry projections suggest that non-communist





world oil demand this year will remain in line with the depressed 1981 level—at about 47.5m-48m barrels a day. Demand for Opec oil is also expected to remain static at about the 1981 level of 22.5m b/d—*some 10m b/d below the* producing capacity of the 13 member countries.

Despite the severe winter, oil companies still have healthy stocks and non-Opec producers have been increasing output.

Official prices are already being eroded. Some African and Middle East producers—such as Libya, Algeria and Iran—have been *making* special deals designed to disguise the extent of discounts. Some producers are offering extended payment periods and tariffs quoted on a delivered (freight paid) basis while others have introduced barter deals in an attempt to maintain exports.

British National Oil Corporation, as the leading North Sea trader of light crude oil, is almost certain to come under new pressure to cut prices. A number of oil companies with European refinery interests are considering pushing for a reduction *when they begin negotiating second quarter rates next* month.

North Sea crudes have been among those most dramatically

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BP may abandon Nigerian project, Back Page

British Rail tries to halt rash of unofficial strikes

BY PHILIP BASSETT, LABOUR CORRESPONDENT

BRITISH RAIL yesterday tried to halt the rash of unofficial strikes on the railways as the train drivers' union was being pressed to agree to an independent inquiry into the pay and productivity dispute.

Sir John Boyd of the engineering workers' union and Mr Frank Chapple of the electricians' union called on the Associated Society of Locomotive Engineers and Firemen to co-operate in the Advisory, Conciliation and Arbitration Service's *proposal for an inquiry.*

Last night Mr Len Murray, Trades Union Congress general secretary, met Aslef's executive, to maintain union pressure. The executive took no decision after meeting him but is expected to do so today though it is not clear whether Mr Murray has managed to reverse the 4-3 executive majority against co-operation.

Mr Murray said later the trains could be running tomorrow if BR agreed to pay the 3 per cent withheld from drivers.

Rail workers taking unofficial action on days Aslef members are not called out on official strike will not be paid for the days on which the network is closed by official Aslef action.

At present all staff except Aslef *members are paid normally on the weekdays Aslef strikes. This* week BR suspended Sunday work for all staff except maintenance workers.

The first to feel the decision's *effect will be the 40-odd guards* based at Shoeburyness, Essex, whose unofficial action last Friday disrupted Eastern Region services to London, and about 130 guards *and other staff* on Southern Region who acted yesterday.

The pay of those taking part in a 24-hour unofficial strike at Brighton yesterday will be stopped for Wednesday and Thursday of this week, the days *of the next official Aslef strike.*

The Brighton strike cut more than two-thirds of services to and from London. It led to angry scenes involving commuters at Brighton station. The action was in protest at BR's suspension of Sunday payment.

Staff who booked on six hours late in the Gillingham, Kent, area will also be affected by Southern Region's action.

BR was said to be considering paying staff who work normally on the days of the official strikes only their guaranteed eight-hour payment. At present they get their full enhanced rate, including overtime and other payments. BR said, however, there would be no change for this week in payments to non-strikers.

The BR Board will meet today to consider action to reduce its mounting losses from the strike. Full suspension of the guaranteed week will still be considered but any action is likely to be stayed to await the *outcome of today's Aslef executive meeting to consider stepping up the strikes.*

Stock Exchange set to issue futures market guidelines

BY CHRISTINE MOIR

THE EMBRYO London International Futures Exchange should know by Thursday whether it will be able to open its doors in September with a large number of stockbroking and jobbing firms as trading members or whether the Stock Exchange will have put an effective veto on membership of both exchanges.

About 25 firms of brokers and jobbers have already paid £20,000 apiece for seats on the market when these were first offered last year.

But they did so at their own risk after the Stock Exchange sent members a notice that it could not approve dual membership until it had studied the final structure of the proposed futures exchange.

Many more broking firms delayed applying until the Stock Exchange made its attitude clear.

It seems certain that the Exchange will issue a guidance note to member firms on Wednesday or Thursday in time for firms to decide whether to enter the future market when the second round of applications closes on February 15.

That note has caused a number of acute headaches for the Exchange.

Firstly, the new market permits dual capacity—its members can operate as both principals *and agents. The Stock Exchange* expressly forbids brokers (agents) to act as principals (jobbers) or vice versa.

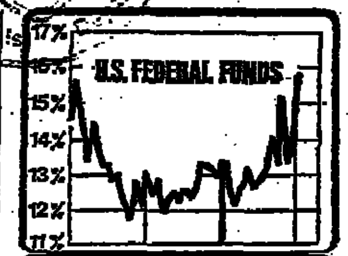
Under the futures market rules, jobbers would be able to approach investing institutions directly to seek to act for them, which would undoubtedly give them an inside knowledge on, for instance, the institution's gilt-edged dealing strategy. This would completely overturn the traditional jobbing function in the gilt-edged market.

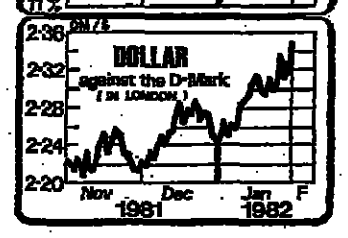
Brokers, too, would be able to deal as principals in the futures market, which could result in financial failure. The Stock Exchange is worried whether this would in turn have an effect on their solvency as stockbrokers.

The Stock Exchange is known to be concerned about whether its member firms would end up with unlimited liability on both markets—a concept which is not only hard to grasp but which, it is feared, could have implications for the Stock Exchange's compensation fund. This pays out to clients any deficit in a collapsed broking firm over and above partners' total assets.

One solution, as far as the Stock Exchange is concerned, would be to require firms to operate in the futures market through entirely separate organisations with free capital not tied up in their broking partnerships.

Such a move would almost certainly cause most Stock Exchange members to withdraw from the new market. The Financial Futures Exchange requires clearing members to *put up £500,000 of capital* apiece. Few broking firms could find this over and above their existing commitments.





$ climbs as interest rates rise

By Our Foreign and Financial Staff

THE DOLLAR climbed further on the foreign exchanges yesterday as the conviction spread in New York that the U.S. Federal Reserve Board has tightened credit to check the alarming growth of the country's money supply.

Late last night both Crocker and Citibank responded by raising their prime rates from 15¾ per cent to 16½ per cent.

Surging U.S. interest rates, which reached their highest for three months on the London Eurodollar market, particularly hit the D-Mark, which fell to its lowest against the dollar since September.

In New York, the key Federal Funds or interbank rate, *which is the prime determinant of other short-term* dollar interest rates, rose to over 15½ per cent from 14 per cent on Friday.

The fresh rise in the cost of credit led to heavy selling on the U.S. financial markets, which spilled over into London and the rest of Europe.

By early afternoon U.S. stocks and bonds were in sharp retreat.

Last Friday's disappointingly small $600m fall in the M1 money supply did nothing to ease concern over the recent *$11bn explosion in the measure.*

The rise in interest rates will also make life difficult for the Treasury which today begins its three-day funding to raise a record $10bn in the credit markets. The Federal Reserve's policy-making Open Market Committee will hold its regular meeting this morning, and the money supply is thought likely to top the agenda.

The sudden deterioration on Wall Street came after several days of uncertainty as to how the Fed would respond to the mounting money supply problem.

Although the Fed made no overt move in the markets yesterday to tighten credit conditions, the conviction that it had done so grew out of official

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Norsk Hydro to buy Fisons fertiliser division

BY SUE CAMERSON, CHEMICALS CORRESPONDENT

THE NORWEGIAN state-owned Norsk Hydro is to buy Fisons' troubled fertiliser business for about £50m. Preliminary agreement on the deal was announced yesterday and it is expected to be completed in the spring.

Fisons yesterday said the sale of its loss-making fertiliser division would strengthen its balance sheet and enable it to concentrate on its other businesses, where there is greater growth potential.

The fertiliser operation made a £1.1m loss on the turnover of £193.6m in 1980. In the first six months of last year a further loss of £1.7m was reported. The losses continued despite a rationalisation programme at the start of the year which involved the closing of four plants and the loss of 1,100 jobs.

Fisons' difficulties in its traditional business area stem partly from the fact that it has no ammonia production of its own—ammonia is the major raw material for straight nitrogen and *compound fertilisers.* This has put the company at a substantial cost disadvantage compared with *its chief rival in the UK* market, Imperial Chemical Industries.

Norsk Hydro, Norway's biggest industrial company and which ranks among the top six of the world's fertiliser producers, has ammonia production capacity of 2.145m tonnes a year. It also has substantial gas interests—and gas is the raw material for making ammonia.

The sale of its fertiliser operations, which accounted for almost half Fisons' £453m turnover in 1980, is expected to reduce the company's interest charges by between £6m and £7m a year.

Mr John Kerridge, Fisons' *chief executive, said yesterday* the company had been looking at this type of deal for some time.

"We will now be able to devote our efforts to our three growth businesses — pharmaceuticals, horticulture and scientific equipment. *All three are growth areas and we have a* strong position in the individual markets."

As part of the agreement, *Norsk Hydro will be allowed* to use the Fisons fertiliser trademark for at least three years. The Norwegian group will take over employment contracts—Fisons' main production sites are at Avonmouth and Immingham on Humberside—on existing terms and conditions.

The UK fertiliser market, estimated to be worth £600m to £700m a year, has long been dominated by ICI. Fisons and the Dutch-based UKF. The recession, which has put pressure on farmers' costs, has led to the closure of a number of smaller companies in the past year including Webbs Fertiliser, Cannock and Thames Nitrogen.

Fisons' shares closed at 218p—up 36p on the day.

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ICI set to win control of Holden with £12.8m offer

BY MAURICE SAMUELSON

BRITAIN'S largest manufacturing company, Imperial Chemical Industries, appears to have beaten its main rival, Courtaulds, in a fight to take control of Arthur Holden, a leading specialist paint maker.

Directors of ICI and Holden yesterday announced agreement on a cash offer for the Birmingham-based paint company which, if accepted by shareholders, would be worth £12.8m. More than a third of Holden's shares are held by family connections of the company.

Last month International Paints, Courtaulds' 88 per cent owned subsidiary, took a 12 per cent stake in Holden, which makes adhesives, paints and inks for the canning industry and has a successful French subsidiary.

At the time Mr Ronald Woodhouse, chairman of International Paint and a Courtaulds director, said this was part of a move towards establishing a strong European-owned specialist paint company to compete with major U.S. concerns. Holden made clear it would not welcome a merger with International Paint.

Although it took the paint industry by surprise the ICI bid is the latest in a recent flurry of mergers and attempted mergers.

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£ in New York

	Jan. 29	previous
Spot	$1.8710-8740	$1.8725-8740
1 month	0.05 dis-par	0.03-0.02 pm
3 months	0.08-0.13 pm	0.20-0.25 pm
12 months	0.90-1.00 pm	1.15-1.30 pm

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For latest Share Index phone 01-246 8026

GDANSK CURFEW EXTENDED AFTER FOOD DEMONSTRATIONS

Tight army grip keeps Warsaw quiet

BY CHRISTOPHER BOBINSKI IN WARSAW

POLES were yesterday facing, with bewilderment and desperation, a tripling and quadrupling of many food prices in the shops—the biggest single price increase in the country's post-war history.

Warsaw stayed calm as the military increased strength and took few chances that discontent in the capital might spill over into violence, as happened dramatically on Saturday in Gdansk.

Amid the swingeing increases, the Polish National Bank announced that savings would be revalued upwards by 20 per cent. The extra payment will be made in three years with an additional 15 per cent annual interest.

Announcing that the nightly curfew in Gdansk had been extended again, Radio Warsaw said summary proceedings had started against organisers of the demonstration and "those suspected of organising breaches of the law," in the northern port.

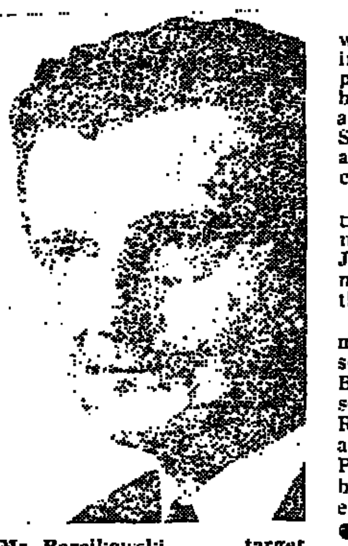
Travellers reported that the main north-south highway between Warsaw and Katowice was closed to civilian traffic, possibly to clear the way for troop movements.

Official reports of the Gdansk violence could not be checked independently because foreign journalists are confined to Warsaw and inter-city telephone services have not been restored yet. But the military authorities reported that 205 people had been arrested and six civilians and eight policemen wounded in clashes when groups of predominantly young people "attempted to attack public buildings." Order was not restored until 8 pm Saturday.

The fact that the authorities chose to announce news of the fighting on the eve of the introduction of their drastic price increases seems to show their confidence at maintaining control.

Foreign journalists have been told they will soon be allowed to travel outside Warsaw, but official permission will have to be granted before each trip. Car travel generally became easier yesterday as the Government reopened petrol pumps.

The struggle inside the Communist Party establishment for influence over policy is spilling into the Press.



Mr Barcikowski . . . target of conservatives

Mr Albin Siwak, a member of the Politburo who has long expressed thinking on the conservative-wing of the party, has published two articles in Zolnierz Wolnosci, the army daily newspaper.

In one, published at the weekend, Mr Siwak, attacks by implication, the moderate politicians who in the days before martial law worked for a modus vivendi with Solidarity and who are now among General Jaruzelski's close supporters.

It seems that the conservatives are aiming to unseat as many as possible of General Jaruzelski's allies, while for the moment they recognise that for the moment he is unassailable. The Conservatives are for the moment more concerned to unseat men like Mr Kazimierz Barcikowski, the general party secretary, Mr Mieczyslaw Rakowski, a deputy premier, and Mr Hieronim Kubiak, the Party secretary with responsibility for science, culture and education.

● The Polish Press yesterday attacked Sunday's U.S. television spectacular on Poland as a hypocritical cabaret and a return to the classic methods of the cold war. The Communist Party newspaper Trybuna Ludu, said it was no accident that the Gdansk demonstration coincided with the "so-called Solidarity day with the Polish nation."

Top adviser warns of 'economic upheaval'

BY LESLIE COLITT IN BERLIN

A SPOKESMAN for the Polish military Government said the economic reform programme which began yesterday would go further than Hungary's reform. Sweeping price rises were the start of the "biggest economic upheaval in the post-war history of a socialist country."

Captain Wieslaw Gornicki, a top adviser to Poland's military leader, General Wojciech Jaruzelski, explained the role of military commissars in Polish factories to the West German news magazine Der Spiegel.

He said that if, for example, a car factory ran out of fan belts, then its director could turn to the commissar and ask for help. "He would get in touch with the commissar of the components factory, and if he had no means of transport, then a military vehicle would take over delivery."

Captain Gornicki said that key industries such as coal mining "would not function" without military staff at present. As it was, coal production "is higher than at any point in the past two years."

He said reform would bring with it an initial period of "confusion and turbulence" and that this was one reason why the military council was necessary. A new law was being prepared under which the Prime Minister and cabinet members could be called to account and penalised if necessary, both retroactively and in future.

In response to a question, he said General Jaruzelski, despite being a member of the Polish Communist Party's Politburo for 11 years, was not responsible for faults in economic policy as he had not been involved in the decision on foreign credits.

The spokesman said the armed forces would put an end to what Germans referred to as the "Polish problem." He said that most Poles regarded economic questions as a burning problem, "but not the question of human rights."

Captain Gornicki praised West Germany's moderate reaction to the "events in Poland after December 13." He said that West Germans had "made a very deep impact on the national psychology of the Poles."

He was critical, however, of the Roman Catholic Church, noting that the role of the Pope was a "moral luxury" as the church was "not responsible for anything but can criticise everything." Captain Gornicki said Government relations with the Polish Catholic Church had been better under the late Cardinal Stefan Wyszynski.

In reply to a question on why the entire leadership of Solidarity, the independent trade union movement, has been interned, Captain Gornicki said this was a "painful and complicated matter."

He acknowledged that many in the Government and party leadership regarded December 13, the day martial law was imposed, "as a severe defeat."

BRUSSELS — Polish Embassy officials here do not know it yet, but next month they will probably move to Solidarity Street.

The city of Etterbeek, one of the 19 communities that form Greater Brussels, wants to change the name of the street where the embassy is located from Rue des Francs to Rue Solidarité.

"We have notified the 200 or so residents in the street of the planned name change," a city spokesman said.

The city council is expected to approve the name—the idea of Mayor Leon Defosset on February 18. Unless the Belgian Government objects within 40 days, the name will become a fact.

Mr Janusz Fekecz, the Polish ambassador who lives behind the embassy on another street, has not been informed officially yet.—AP

Romania to meet Western bankers

By Peter Montagnon, Euromarkets Correspondent

ROMANIA IS to hold a third round of talks with Western bankers on its debt problems this Thursday as signs emerge that it will need to organise some form of breathing space to get round a hump of debt service payments falling due this year.

Unlike the previous two meetings, Thursday's talks will not be attended by representatives of the International Monetary Fund. Bankers who will be going to Bucharest say they will be trying to glean more information on the country's economic position.

The vagueness of Romania's information on its balance of payments has been one reason why the talks so far have been conducted in an atmosphere of tight-lipped confidentiality.

Banks have been worried that Romania might be scared of providing more economic data if such information that has been made available is immediately passed on to outsiders.

But estimates by some Western bankers suggest that debt service arrears at the end of last year amounted to about $1.2bn, of which some $800m was due on supplier credits rather than straight-forward bank loans.

This sum, together with repayments of foreign loans due this year, pushes Romania's 1982 debt service bill to more than $3bn, they estimate. This suggests that a partial restructuring of its $10bn foreign debt will have to be negotiated soon.

In recent months, banks have complained that Romania has proved totally unwilling to discuss its debt problems. Now they are relieved that talks are proceeding, but some bankers said at the weekend they were disappointed that Romania has still not acknowledged publicly the need to place its foreign debt on an orderly basis.

Such a move would help to restore confidence among creditor banks, believed to number more than 100, many of whom remain very confused about the situation, they argued.

Czechs stunned by steepest food price rises in 30 years

BY PAUL LENDVAI IN VIENNA

THE STEEPEST food price increases in three decades, together with other austerity measures, stunned people in Czechoslovakia during the week-end. But neither travellers from Prague and Bratislava nor diplomats reported any overt protests or strikes.

The Czech leadership has for months been preparing party members for "inevitable price adjustments" which finally came into force on Saturday and yesterday after a wave of panic buying.

A 15 to 18 per cent wage increase for miners, who protested against their working conditions last year, as well as increases in the lowest pensions and family allowances, are intended to cushion the impact of the stringent measures.

Nevertheless, the price increase came as a blow. In some cases, they were steeper than Mr Lubomir Strougal, the Prime Minister, indicated last week. Meat has gone up 41 per cent and meat products 17 per cent, poultry 15 per cent, fish and game 14 per cent, sea fish 26 per cent, tobacco products 30 to 39 per cent, and wine 18 per cent.

The price of rice has been doubled after being fixed for two decades, while during the same period import prices have soared 300 per cent. Meals in restaurants have gone up 16 to 25 per cent.

Government officials and the official media have launched a campaign to explain that without price increases and other savings, the country would find itself heading for a catastrophic financial crisis.

The "frightening example of Polish extravagance" has often been cited at closed party conferences. The state last year spent Cr 30bn (£2.7bn at the official rate of exchange) on food price subsidies, 10 per cent of the state budget.

The previous prices charged for meat and meat products were 40 per cent below production costs. During the past five years, subsidies to support meat prices have doubled to Cr 12bn last year and would have risen to Cr 20bn by 1985.

The authorities are preparing for other austerity measures. During the next four years, administrative personnel will be reduced by 10 to 20 per cent. This means that at least 70,000 bureaucrats will lose their jobs by 1985.

Official cars and expense accounts will be cut by 10 to 30 per cent. Consumption of petrol and fuel oil will be reduced "by at least 10 per cent" and investment spending this year will be down by 3.3 per cent.

It is now officially admitted that industry, agriculture and construction failed to attain planned targets last year.

As the Soviets, according to Yugoslav sources, are reducing their crude oil shipments to Czechoslovakia by 2.5m tons this year, and as the leadership has publicly spoken out against raising money from the west, it is widely expected that the final draft of the five-year plan (1981-85) will be drastically revised and that further price increases may follow.

Sweden warned off arms deals with U.S.

MOSCOW—The Soviet Communist Party newspaper Pravda yesterday warned Sweden that its purchase of arms and military technology from the U.S. could "shatter trust" in its policy of neutrality.

Commenting on a new contract awarded by the Swedish Bofors weapons concern, Pravda said co-operation between Swedish industrialists and U.S. arms makers had risen to an unprecedented level.

"What matters is not only a considerable limitation of the independence of Swedish defence enterprises but also the fact that such co-operation may shatter trust in Sweden's policy of neutrality," Pravda said.

Pravda's warning, unthinkable a year ago, reflected the continuing strains in relations between Stockholm and Moscow following the stranding of a Soviet submarine in Swedish waters last October.—Reuter.

Portuguese party sees red over UK envoy

By Diana Smith in Lisbon

THE PRO-MOSCOW Portuguese Communist Party is demanding the expulsion of Mr Hugh Byatt, the British Ambassador in Lisbon.

The diplomatic incident erupted after Portugal's Labour Minister issued a communique claiming that Mr Byatt had delivered the congratulations of Her Majesty's Government for strike-breaking actions used in two recent public transport disputes in the Portuguese capital.

The stoppages had been called by Communist unions as part of the party's campaign to bring down Sr Francisco Pinto Balsemao's Government before liberalising reforms of the constitution can take place in April.

In a routine but, in his understanding, confidential meeting last week with Sr Queiroz Martins, the Labour Minister, Mr Byatt had discussed labour questions generally, including the national general strike called by Communist unions for February 12.

Believing the conversation to be the usual periodic, private exchange of views between a foreign diplomat and a government official, Mr Byatt mentioned the recent transport strikes and the successful use of private buses to keep Lisbon moving.

The Labour Minister, however, lifted the remark from a general context and interpreted it in his communique as official congratulations.

In so doing, he gave a militant, hot-tempered and frustrated Communist Party cause to turn on Mr Byatt, accuse him and the British of condoning (illegal) strike-breaking tactics and demand his expulsion.

Although a second communique was issued putting Mr Byatt's remarks into more accurate context, the gaffe played into Communist hands in another sense.

Just over a week ago, the Portuguese Foreign Ministry expelled two Soviet diplomats for "exceeding their diplomatic function." In fact, the gesture was intended as Portugal's response to Nato allies' condemnation of martial law in Poland.

The Communist Party responded furiously at the time and now is throwing that gesture back in the Government's face, gleefully claiming that if Soviet diplomats can be thrown out of the country for "exceeding their diplomatic function" so can British ones.

W. German chemicals sales rise

By Kevin Done in Frankfurt

THE CHEMICALS industry, one of the most important in West Germany, boosted its sales last year to DM 118bn (£27.25bn), an increase in nominal terms of 9 per cent, but only as a result of strong demand from foreign markets.

Domestic sales dropped by 5 per cent and chemicals groups lost market share at home as imports continued to expand. They grew by 14 per cent, taking just under 26 per cent of the market, compared with about 24.5 per cent in 1980.

Exports, however, expanded by nearly 16 per cent, helped for much of the year by the weakness of the D-Mark. The growth in foreign sales allowed the industry to increase production by a modest 2 per cent. Chemicals exports to the U.S. jumped by around 31 per cent, to Britain by 32 per cent, to Japan by 29 per cent and to France by 10 per cent.

Demand was strong for pharmaceuticals and for agricultural and other speciality chemicals. But output in some sector, particularly commodity plastics, fell sharply, with producers' losses estimated at about DM 1bn (£230m).

Profitability declined significantly overall, showing only a 1.5 per cent net return on sales compared with 7.8 per cent in 1980 and 2.4 per cent in 1979, according to the West German Chemicals Industry Federation.

Chemicals companies were badly affected again last year by the sharp rise in the cost of raw materials and energy. Prices rose by up to 50 per cent in some cases. These additional costs could only be passed on partially in higher product prices.

There is uncertainty about future demand, particularly for basic chemicals which are coming on to world markets in increasing volumes from East bloc and Middle East producers. As a result, West German companies are cutting investment, and capital expenditure is expected to fall this year from the DM 7bn (£1.6bn) level of the past two years.

Professor Herbert Gruenewald, chief executive of Bayer and president of the industry federation, attacked the West German Government for placing too much emphasis on supporting applied, product-related research at the expense of basic research.

Ten to press case against Parliament

BY OUR BRUSSELS CORRESPONDENT

THE ITALIAN Government, with Greece in its wake, yesterday bowed to majority wishes and agreed to allow a joint European Court case by the Council of Ministers against the European Parliament over the adoption of the 1982 EEC budget.

These decisions by Rome and Athens add another unusual element to an already extraordinary scenario. It is unusual for a member state to accept a majority vote on any politically sensitive issue, and both Governments were anxious yesterday to establish that they were doing so on procedural grounds without conceding any important precedents.

Until yesterday morning, Italy had appeared bent on blocking any court move through the Council, and Greece had indicated that it would follow any Italian line.

But the Belgian Government, as president of the Council, brought pressure to bear and the two countries finally agreed—without a formal vote—not to act as a blocking minority. Italy was thus seen to be acting in line with its evangelical support for more majority voting in the Council.

As a result, all Ten member states were also able to agree to hand over to the Commission yesterday their full monthly contributions to the EEC budget, although they believe the budget was illegally adopted. In addition, they have all agreed to open talks with the Parliament to seek a negotiated solution to the problem lying behind the third consecutive Council-Parliament budget conflict.

The Council is disputing the Parliament's right to add £123m to the £12bn budget endorsed by member governments in November.

Brussels likely to take France to court for barring Italian wine

BY JOHN WYLES IN BRUSSELS

FRANCE LOOKS virtually certain to face early action at the European Court following its surprising move to re-open the "wine war" with Italy by reviving a temporary ban on wine imports.

The raising of fresh barriers to Italian wine is seen in Brussels as an extraordinary act of bad faith by a French Government which only three months ago reached a political settlement allowing a resumption of the wine trade from the South.

By the time this agreement had been reached, the Commission had completed preparatory work on two cases accusing Paris of breaching the EEC's free trade rules by blocking Italian wine imports between August and October. At its meeting tomorrow the Commission is expected to dust off these cases and possibly to seek an interim injunction requiring France to lift its new restrictions.

The Italian reaction is so far limited to expressions of strong concern to M Gaston Thorn, the Commission president and Mr Poul Dalsager the Agriculture Commissioner. As before, the Rome Government wants to avoid retaliation, but a strong warning is bound to be issued to M. Andre Cellard, the French Secretary of State for Agriculture when he goes to the Italian capital on Thursday.

Officials in Brussels believe that Mme Edith Cresson, the French Minister for Agriculture, was panicked into the latest measures by renewed protests from French growers about the volume of wine coming in from Italy. According to Italian officials, she issued assurances in the middle of last week that she would not resort to any protectionist action.

There are few details yet as to the actual measures the French are employing to block the Italian wine. Last summer and autumn, they claimed that the documentation accompanying the wine shipment was inadequate and, on this pretext, held up more than 1m hectolitres at French ports

Mme Cresson is reported to be arguing that Italian wine imports have surged from around 200,000 hectolitres a month at the end of last year to 350,000 hectolitres in the first half of last month. This has begun to depress local French prices, although the majority of the Italian product is destined for blending with cheap French wine to give the latter more strength.

Finnish concern over jobless

By William Dullforce, Nordic Editor

RISING unemployment and a deterioration in the competitive power of Finnish industry are worrying the country's Finance Ministry.

Nevertheless, in its latest economic forecast, it expects the national income to grow by 1.5 per cent this year, slightly slower than it anticipated in

The Government's borrowing requirement is calculated to rise from FMk 5.2bn last year to FMk 7.5bn (£907m), part of which will be covered by foreign borrowing.

Industry's price competitiveness will decline for the third successive year, but the ministry expects the current account to move into FMk 1.5bn surplus. Exports are pegged to a 2 per cent rise in volume, with demand from Western markets offsetting a fall in that from the East.

Swiss expect bigger current account surplus

By John Wicks in Zurich

SWITZERLAND expects its current account surplus to rise to about SwFr 5bn (£1.4bn) this year. The Government's Commission for Economic Studies bases this estimate on the assumption that the Swiss franc will remain stable this year while the domestic economy shows a slight decline.

Such a surplus would be the highest since the 1976-78 period when it averaged SwFr 8bn a year. The current account surplus for last year is believed to be more than SwFr 4bn.

The trade deficit, which dropped by 30 per cent last year to SwFr 7.27bn, is expected to decline further this year.

Gaullist leaders know they are a long way from tasting power again, writes **David Housego** in Paris

Chirac plays moderate statesman to the political gallery

IF YOU had not known that M Francois Mitterrand had won last year's presidential election, you might sometimes have thought at the Gaullist RPR party convention at Toulouse last week that it was the Gaullists who were the victors.

After being re-elected as party leader with 99.1 per cent of the vote, M Jacques Chirac, Mayor of Paris and unsuccessful presidential candidate last May, took his curtain call with his hands raised above his head in the traditional Gaullist salute. The 15,000 party members packed in the hall thundered their applause, the Gaullist emblem—the "Croix de Lorraine"—was lifted high, and M Chirac led his supporters in a lusty rendering of the Marseillaise.

With the exception of the Communists, no other political party in France has such a knack of turning a political event into a family carnival. At least for the political Right, M Chirac has an unrivalled talent for showmanship and playing to a crowd.

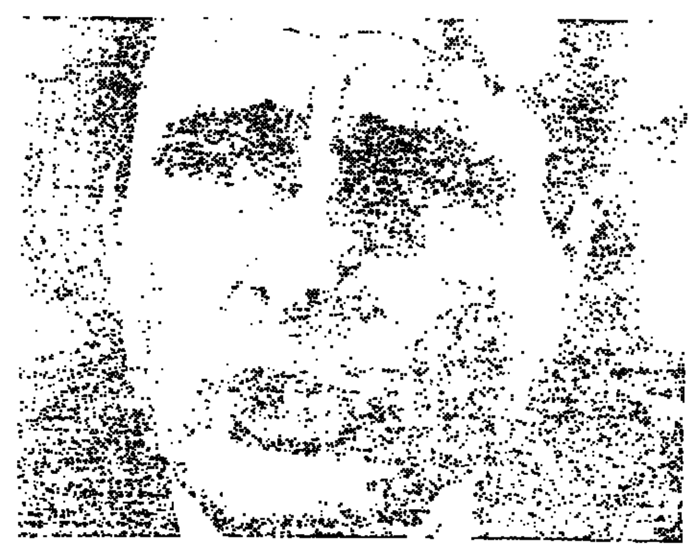
But the Gaullist leaders are under no illusion that it will be a long haul before they get another sniff of power. However, recent by-elections in which the Centre and the Right scored four unexpected victories have been a comfort in that they demonstrated that those who deserted the Gaullist fold last year rather than vote for M Valery Giscard d'Estaing have now returned.

In the continuing rivalry between M Chirac and M Giscard, the by-elections have also shown that the former President has even less grass roots support now than last May.

But the arithmetic of the votes and the likely changes to be made in the electoral system mean that the Gaullists are unlikely to make any major inroads into Socialist strength in the municipal elections next year or even in the 1986 legislative elections. Their real test will be the next presidential elections in 1988.

The Gaullists are thus aligning their sights on a long term target. They are convinced that the Socialist experiment will fail, although they no longer believe, as they did after the last presidential election, that there will be any sharp deterioration in the economy. The Gaullists foresee instead a slow decline.

Surprisingly perhaps, they no longer think that there is much political mileage to be gained in attacking nationalisation. Their strategy is based on the belief that the Socialists intend a radical transformation of French society and institutions, which will prove abhorrent to



Jacques Chirac: His goal is to establish himself as national leader of all those outside the Socialist camp.

the traditional, Catholic majority of the country.

An extremist evocation of this threat was given by M Bernard Pons, Secretary General of the party who told the Congress that the choice ahead was between a Marxist and a Republican regime. The roar of applause in response showed that many other Gaullists see it in these stark terms.

In line with this view, the party aims to become the focus of opposition for all those outside the Socialist camp. It is likewise M Chirac's goal to establish himself as the national leader of this movement, particularly over the rival claims of M Giscard.

In the eyes of the party faithful, he was crowned at Toulouse not only as leader of the Rassemblement Pour la Republique (RPR) but of the whole opposition—"the youngest, the most eminent, the most experienced and the most dynamic of statesmen in the western world," as one of his colleagues flatteringly described him from the platform.

In his conference speech, M Chirac sought to live up to this role of statesman and aspiring presidential candidate for the right, reviewing the domestic and international issues of the day with statesmanlike moderation. For the moment populist demagogry is being left to other party firebrands.

Doubts continue within the party as to whether M Chirac, with his unpredictability and his tendency to be swayed by the most recent opinion, would make a desirable President. But in opposition, he has the appropriate charisma, stamina and warmth of personality.

With the prospect of power so distant, a major problem for the party is to mobilise and sustain the enthusiasm of the rank and file. Next to the Communists, the RPR is the largest and best organised political party. It has 600,000 members compared with the Socialists' 250,000. As a populist movement appealing to nationalism, the RPR draws support from all classes. But after 23 years in power, the party has let its organisation slip. In the last legislative elections, its share of seats in the National Assembly slumped from 153 to 80.

M Michel Giraud, a senior figure in the RPR, reminded members at the convention that the Socialists' success had been built by expanding their youth membership, and then by a 10-year grass roots campaign which brought them gains in the cantonal and municipal elections before victory in the presidential election.

It is a lesson the RPR seems to be taking to heart. For the first time at a Gaullist congress, the hall was not decorated with the pictures of General de Gaulle and the elder barons of the party, like M Michel Debre or M Couve de Murville, seem to be stepping aside.

The rank and file were drawn into the running of the conference far more than in the past. A number of workshops were organised to debate the issues of most popular concern, such as trades unions, the media, and private schooling.

But if the RPR is seeking to be more democratic, it has not yet succeeded in drafting the younger generation of leaders which it needs.

In his platform speech, M Chirac set out the broad lines of a programme without being trapped into giving details. His starting point was that the Socialists' victory had demonstrated a real desire for change towards a more humane, less technocratic government, with more popular participation. Many of the Gaullists' interests, such as higher investment to spur growth, the priority of unemployment, work sharing in industry, are shared with the Socialists.

However, the Gaullists distance themselves from the Socialists in wanting to hold down deficit spending and reduce taxation and controls on industry. They attack the Socialists most fiercely for allowing Communists into the government and for threatening private (normally Catholic) education and health.

It is far from certain that the different and often divided factions outside the Socialists camp will accept M Chirac as the spokesman for the Right and Centre.

The RPR is drifting to the Right partly as a result of an influx of new recruits, many of whom are from the extreme Right with its tradition of violent agitation against the Communists. As a popul figure, M Chirac has mo chance than other leaders neutralising the far Right influence. But his appeals fo moderation are a recognitic of how close to the surface lie the danger of political violence

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S. Africa urged to tighten Press controls

BY J. D. F. JONES IN CAPE TOWN

SOUTH AFRICA'S Government was yesterday urged to enforce controls on the Press by legislating for the "compulsory professionalisation" of all local journalists.

A commission of inquiry recommended that a new governing body should be set up with powers to register all journalists and to administer a code of conduct. Offending journalists could be fined or disqualified from the profession.

These proposals are part of the recommendations of the Steyn Commission into the Mass Media, whose report of nearly 1,400 pages was tabled before Parliament in Cape Town yesterday.

The commission, under the chairmanship of Mr Justice Marthinus Steyn, a former Administrator-General of South-west Africa, has produced a document remarkable for its rambling, sometimes bizarre progress across the whole terrain of South African affairs. But the final recommendations are precise, and even stronger than South Africa's editors had feared.

The supplementary report of the commission offers the Government two draft Bills covering elements of the recommendations of the main report.

The commission explains that it is necessary to "professionalise" South African journalism, to bring it on a par with law, medicine, divinity, engineering and accountancy, so as to ensure that journalists become "socially responsible" and also to protect Press freedom.

The draft Journalists' Act proposes a statutory body called the General Council for Journalists composed of 12 members, three of them nominated by the Government, and three each to be chosen by journalists in newspapers, magazines and broadcasting.

The great fear of many of the editors and journalists on the more liberal South African newspapers is that under this formula they will find themselves in a small minority on the governing body.

The council, according to the draft Bill, would set the qualifications and examinations for journalists, keep a roll of full-time journalists, and, in effect, act as a court in which journalists could be tried for "improper conduct."

Only people who are on the roll could be employed by the local Press or have their work printed. A journalist found guilty of improper conduct would either be reprimanded, suspended, fined, or struck off the roll.

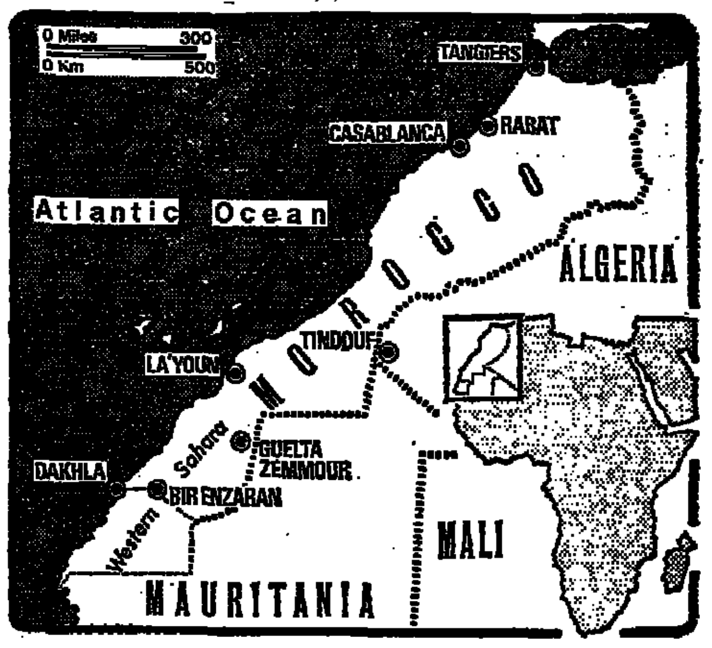
The Steyn commission also offers a draft code of conduct which, while distinctly vague in most of its precepts, requires journalists to exercise responsibility not only in security matters, but also where their writing might detrimentally affect the "economy and the country's international position."

A second draft Bill takes up the section in the commission's report that criticises the tendency to monopoly in the local Press. It proposes that no person should be able to hold more than one per cent of shares in a publishing company and also that the identity of shareholdings should be made public.

The main body of the commission's report argues that it is necessary to set up a statutory professional body for the Press so that it will be "compelled by law to set its own house in order and then be allowed to occupy it and live in it decently and enjoyably."

Francis Ghiles examines the deadlock in Western Sahara

U.S. interest focuses on Morocco



SELDOM HAS King Hassan of Morocco played host to so many senior members of a U.S. administration.

Mr Caspar Weinburger, the Defence Secretary, visited Rabat last month, preceeded by Mr Francis West, the Assistant Secretary of Defence for international security affairs; General Vernon Walters, one of President Ronald Reagan's security trouble shooters; and Vice-Admiral Robert Inman, deputy director of the CIA.

Secretary of State Alexander Haig's planned visit last month was delayed because of the Polish crisis but is expected soon. Meanwhile, six units of the Sixth Fleet visited Tangiers on January 17 and King Hassan is expected to visit Washington later this year.

These visits follow a major Moroccan military reversal last October in the Western Sahara, the former Spanish colony which Morocco has been trying to control since Spain left the area six years ago. During a three day battle in mid-October, the Polisario guerillas who claim the territory, over-ran the Moroccan base of Guelta Zemmour. The Moroccans lost two F-5 fighter jets, one Mirage, a C-130 Hercules Transport and a helicopter.

King Hassan was quick to blame the Libyans for providing Polisario with Sam-6 missiles, a claim which, if true, would represent a major escalation in weaponry used against the Moroccan army.

However, it is impossible to acertain the truth of his claims, since not even the U.S. military attachés in Rabat know at what height the planes were flying when they were hit, a crucial point when trying to know what type of missile was used.

A month later, the Moroccan army abandoned another major Saharan garison at Bir Enzaran. Today, it has retrenched itself in the north-western corner of the territory, with the exception of the two coastal towns of Dakhla and Boujdour.

This "triangible utile" includes the regional capital of La Youn and the rich Bu Craa phosphate mines which have not been worked since February 1976. The area is well defended and all attempts by Polisario to break into it have failed.

The latest attempt, carried out between January 8 and 10 against the post of Ras el Khanfra involved about 3,000 guerrillas and 24 tanks including Soviet T55s equipped with infra-red sights. This was the first time such a sophisticated machine had been seen in the desert.

On the ground, there is not much either side can do. Polisario has proved to be a much more formidable force than the Moroccan high command ever anticipated. However, it is clear that 15,000 guerrillas cannot defeat a country of 20m people. The cost of the war, in spite of Saudi aid valued at $1bn (£539m) a year is proving to be a very heavy burden for Morocco which, during the past 18 months has also suffered one of the worst droughts this century.

Last June, riots in Casablanca—in which about 100 people died—testified to popular anger at rising prices. Although the authorities brought the outburst under control quite quickly, it showed that people were not prepared to endure endless hardship for the sake of the national cause.

The price rises were necessary because of the tough conditions of three-year $1bn standby credit from the International Monetary Fund, which stipulated that many food subsidies should be phased out.

Washington has been keen to be seen supporting King Hassan because he is a bulwark against Communism. His denunciations of Libyan interference in Moroccan affairs play on one of the Reagan Administration's pet obsessions.

However, supplying King Hassan with more arms poses problems for the Reagan Administration, if only because Morocco cannot afford to buy much. A consignment of M-60 tanks has been delayed for months because Morocco is short of foreign cash.

King Hassan is careful not to denounce Algeria, even though it is the major and most steady backer of Polisario. He claims to detect signs that Col Benjedid Chadli, Algeria's President, would like to be rid of the problem.

But the only difference in the Algerian position since the death of the late President Houari Boumedienne three years ago seems to be that senior officials in Algiers say they have no wish to see King Hassan fall because they believe he aids stability in the region.

The Organisation of African Unity has been making serious attempts to solve the long running conflict in the Western Sahara. Agreement by Morocco and Algeria to hold a referendum to determine the future of the region gave rise to some hope of a peaceful solution.

However, implementing this agreement has so far proved impossible. King Hassan expects it to be confined to the territory of the Western Sahara itself and confirm Moroccan rule, while the Algerians insist that the many Saharan refugees living in the town of Tindouf in south west Algeria must also be consulted.

There is a risk that the dispute could grow and get caught up—even marginally—in the confrontation between Moscow and Washington. That could happen if U.S. support for Morocco goes beyond diplomatic backing and a few weapons.

There is no political solution in sight. It is unlikely that an outside power could do anything much to change the mind of the Moroccan and Algerian rulers.

Egypt and Libya open border

EGYPT and Libya partially opened their joint border yesterday after three years of hostile relations, Anthony McDermott reports from Cairo. An Egyptian spokesman said the border would be open for select groups.

The closure has been a serious inconvenience to the 200,000 Egyptians working in Libya, who could only return home via a third country.

A first group of 27 Egyptian teachers and their families crossed from Mossaed in Libya to the Mediterranean port town of Salum yesterday. They are to return by the same route after a 15-day holiday.

Relations between Libya and Egypt since the Camp David accords and the Israel-Egypt peace treaty have been low but reached new levels of tension in the period before President Sadat's assassination.

Gulf oil policy

Saudi Arabia and five other Gulf states have drafted plans for a joint oil policy, calling for a single stand in the Organisation of Petroleum Exporting Countries and a better trade deal from the West, Reuter reports from Bahrain.

Oil Ministers representing Saudi Arabia, Kuwait, Qatar, Bahrain, Oman and the United Arab Emirates met in Riyadh and agreed to negotiate with industrialised nations "to obtain commercial advantages," a bulletin issued by the UAE news agency said.

The Ministers are expected to present their recommendations to Foreign Ministers in Riyadh next month.

Israeli rejection

Israel yesterday rejected a surprise Syrian overture towards ending the state of war between the two countries, David Lennon reports from Tel Aviv. The foreign ministry in Jerusalem described it as "a propaganda exercise." The offer was made by Mr Ahmed Iskandar Ahmed, Information Minister, in an interview with a Beirut weekly.

Yen's softening blamed on U.S.

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

JAPAN IS "not happy" with the present exchange rate of the yen and regrets international misunderstanding about its causes, a senior Bank of Japan official said yesterday as the yen sank below Y230 to the dollar.

The official said "external factors" were solely to blame for the yen's softening since early January and that the main culprit was higher U.S. short term interest rates.

The yen weakened from just under Y215 to the dollar in early December to Y230.90 at the close of the market in Tokyo yesterday, despite intermittant market intervention by the Bank of Japan.

Japanese officials say that all domestic factors that should affect the rate, including price stability, external payment, and basic social and political stability, should make for a higher rate. They also believe that such a rate would be desirable because of the effect it would have on reducing Japan's competitive edge in world markets.

Bank officials said yesterday that most of the weakening of the yen since early January had taken place in overseas foreign exchange markets "while Japan was asleep." They claimed that fluctuations in the Tokyo market had generally been narrower.

The weakness of the yen means that the Bank of Japan is not now in favour of encouraging capital outflows from Japan "although as a surplus country we cannot close the market completely."

Delhi talks inconclusive

BY K. K. SHARMA IN NEW DELHI

TALKS BETWEEN India and Pakistan on a non-aggression pact between the two countries ended inconclusively in New Delhi yesterday amid indications that major hurdles remain.

Senior officials of the two countries are to meet in Islamabad this month to continue talks on "the elements which could constitute the substance of such an agreement."

At a Press conference after teir three days of talks Mr Agha Shahi, Pakistan's Foreign Minister, and Mr P. V. Narasimha Rao, India's Minister for External Affairs, made it clear that the two countries continue to view each other with suspicion although a joint statement said "the air had been sufficiently cleared" for further talks to be held.

Mr Shahi said no treaty could take away Pakistan's decision to acquire arms from any source since he considered this a sovereign right. The implication was that Pakistan would push ahead with its $3.5bn (£1.9bn) arms deal with the U.S. under which it is to acquire 40 F-16 aircraft.

Prosperous outlook for Australia, OECD finds

BY DAVID TONGE

AUSTRALIA'S wave of prosperity should roll on strongly into 1983, according to the survey of the country published yesterday by the Paris-based Organisation for Economic Co-operation and Development.

This forecasts growth in gross domestic product of 3½ per cent this year in real terms continuing, at slightly lower rates, into the first six months of next year.

The OECD predicts that the boom in investment in the country's mineral resources will continue, with expenditure reaching a peak of A$4.4bn in 1979-80 prices in the year July 1982 to June 1983. This expenditure is equivalent to around 3.5 per cent of GNP. The survey also forecasts good returns from exports.

Unemployment is not expected to fall much below the current level of 5.4 per cent of the work force, but the OECD says that its main concern is over inflation. That message was reinforced by last week's figures showing that consumer prices had jumped in the last quarter of 1981, pushing the annual rate of 11.3 per cent.

The OECD is broadly in agreement with the fiscal and monetary policies being followed by the Government, though it points out that in the past three years the growth of broadly-defined monetary supply (M3) has exceeded the rates set by the budget.

The survey welcomes the end of wage indexation but warns that a far more flexible wage negotiating procedure must be found if Australia is not to follow Norway's example of the higher wages needed to attract labour to the resources sector flowing on to other areas of the economy.

The report welcomes the way the total public sector borrowing requirement has been cut from 6 per cent of GDP in the fiscal year 1977/78 to 3.2 per cent in 1980/81.

U.S. plans $55m arms shipment for El Salvador

BY ANATOLE KALETSKY IN WASHINGTON

THE REAGAN Administration *confirmed* yesterday that it is planning to send arms worth $55m (£30m) to El Salvador as soon as possible for what it believes to be "the decisive battle for Central America."

The shipment, which will consist mainly of aircraft and helicopters, is the Administration's immediate response to renewed guerrilla activity in El Salvador. Last Thursday, a rocket attack on the Ilopango air base near San Salvador reportedly destroyed up to half the Duarte Government's air power.

President Reagan is also believed to be planning a big increase in longer-term military and economic aid to El Salvador. His 1983 budget, to be unveiled next Monday, is expected to more than double the present $110m of assistance.

President Jose Napoleon Duarte

Mr Thomas Enders, Assistant Secretary of State, announced the Administration's intentions to send the military equipment while appearing before the Senate Foreign Relations subcommittee yesterday.

He justified the urgent need for aid by saying that "the decisive battle for Central America" was under way in El Salvador. "If, after Nicaragua, El Salvador is captured by a violent minority, who in Central America would not live in fear?" he asked.

He added that U.S. strategic interests, including the Panama Canal, would be at risk if El Salvador fell to Cuban-backed guerrillas.

But it is still uncertain whether the Administration will be able to go ahead with its planned arms shipments, as it requires Congressional authority to do so. Last week President Reagan formally certified to Congress that the Duarte Government has made "a concerted significant and good faith effort to deal with the complex political, social and human rights problems it is confronting and that progress is being made."

Leading members of the Senate and House Appropriations Committees, which must approve additional aid to El Salvador, have publicly disputed the President's view.

Ford begins talks with UAW on wage cuts

BY RODERICK ORAM IN NEW YORK

FORD MOTOR, the hard-pressed U.S. car-maker, was due to begin talks late yesterday with the United Auto Workers on wage and benefits cuts in exchange for increased job security.

The failure last Friday of General Motor's wage-reduction talks with the union does not necessarily augur badly for the Ford talks.

GM and Ford are seeking fundamentally different agreements with the union, whose members are acutely conscious that Ford is suffering from the car industry slump far more than its much larger rival.

Whereas GM reported net profits of $237m (£131m) for the nine months ended September, Ford was $713m in the red for the same period. GM is expected to be barely in the black for the fourth quarter and year, but Ford is forecast to remain deeply in deficit.

Ford urgently needs to cut its labour costs which are averaging about $20 an hour in wages and benefits, in return for a profit-sharing programme and some commitments on job security.

Security is a pressing issue for Ford workers who have suffered the permanent closure of some major plants because Ford has found it cheaper to buy rather than make some components as its production volume has fallen.

Trudeau to face calls for change on economy

Canada's Prime Minister, Mr Pierre Trudeau, is expected to resist demands for changes in Canadian economic policy when he meets the 10 Provincial Premiers for a two-day meeting on the economy today, Jim Rusk reports from Ottawa.

The meeting, which the premiers have been demanding since last August, could hardly have come at a worse time for the Federal Government, still caught in the storm stirred up by the November budget in which it tightened its fiscal stance by closing a number of tax loopholes.

Many of the premiers are expected to castigate Ottawa for restrictive policies and to press it for lower interest rates and a more expansionary policy.

More than 1m Canadian workers are now unemployed.

Love Canal suit

NEW YORK State has filed a $200m (£111m) damages suit against Hooker Chemical Company concerning alleged seepage from its chemical dump site at Love Canal near Niagara Falls, David Lascelles reports from New York. The suit seeks $100m for alleged damage to the environment and $100m in punitive damages. Hooker, which has vigorously defended itself since the row erupted three years ago, said it will fight the suit. Hooker is a subsidiary of Occidental Petroleum Company.

Canada paper grant

Scott Paper, of Vancouver, has received nearly C$5m (£2.2m) in government grants for a C$30m (£13.6m) plant modernisation programme in Quebec, Victor Mackie reports from Ottawa. The grants were made under the Pulp and Paper Industry Modernisation Programme—a joint Federal-provincial scheme that has paid out about C$238m to pulp and paper makers since 1979.

Free 'Shuttle' rides

The National Aeronautics and Space Administration (Nasa) has agreed to give four free rides on the Space Shuttle to GTI Corp., a San Diego company trying to develop a metallurgical laboratory, AP-DJ reports from Washington. Nasa and GTI have signed a formal "joint endeavour" agreement letting the company test a new furnace designed to see how metal alloys behave under weightless conditions.

UN chief 'is no one's puppet'

BY OUR UNITED NATIONS CORRESPONDENT

ONE MONTH after he became fifth secretary-general of the United Nations, it is already evident that Sr Javier Perez de Cuellar is far from being a pale image of Dr Kurt Waldheim, his predecessor—the suggestion put about by some before his appointment.

The 62-year-old Peruvian lawyer-diplomat has yet to face his first major international crisis, but he has emerged with flying colours from several lesser challenges.

"Cautious and bold, independent and realistic, quiet but firm." This is how Sr Perez de Cuellar sees himself during the five-year term to which he *intends to limit himself*—"my first and last mandate."

He will be no one's puppet, he said. Nor will he be a bull in a china shop. "I am fully aware that I am not some kind of President of the world, and that the UN is at the service of its member-states," he added.

Sr Javier Perez de Cuellar
"My first and last mandate"

A certain grudging respect in Soviet official circles is considered a mark of his merit. Although he stresses his Third World antecedents and strong sympathies for the developing countries, he has avoided any charge of bias against the industrialised West.

One of his first tasks has been to deal with the sagging morale at the UN's headquarters and to try to improve its efficiency.

His first administrative decision was to replace Mr Kenneth Dadzie of Ghana by M Jean Ripert of France as UN Director-General for development and international economic co-operation—a post second only to his own in the UN system.

This led to a clamour of private protests by African states. Asked why he let Mr Dadzie go, the Secretary-General replied simply that he needed M Ripert more.

Sr Perez de Cuellar inherited from Dr Waldheim an 18,000-member Secretariat depressed at the interference of governments in personal matters. Publicly and privately, the new Secretary-General has said that how he runs the Secretariat is his prerogative, and governments had better keep out.

He is known to have made the point especially forcefully to the Soviet Union, saying he is prepared to consider its nominees only for the top posts which are subject by tradition to political patronage. Even there, Moscow must come up with qualified people.

Inevitably, Sr Perez de Cuellar soon incurred South Africa's displeasure—over some remarks about Apartheid and Namibia.

Mr R. F. Botha, the South African Foreign Minister, questioned his capacity for objectivity, but many delegates feel *this was an over-reaction dictated* by domestic considerations. The Secretary-General has made independence for Namibia one of his priorities. He is also keen again to see the UN involved in the Middle East.

TOKYO CABINET EXPECTED TO AGREE ON TARIFF CUTS

Japan may import U.S. oil, gas

BY OUR WORLD TRADE STAFF

JAPAN may start talks with the U.S. over the import of Alaskan oil and gas, Mr Shintaro Abe, the Minister for Trade and Industry, said in Tokyo yesterday.

The matter was apparently taken up with President Reagan last month. "The U.S. may *permit export if we undergo* patient negotiations," Mr Abe told a parliamentary hearing, adding that such sales would help to narrow its widening trade deficit with Japan.

Mr *Abe's remarks* come against a background of sustained pressure from Japan's trading partners, seeking wider access to the Japanese market and a slower pace of Japanese exporting.

In response to this pressure, the Japanese Cabinet is expected formally to decide on a package of tariff reductions, thus advancing cuts planned in any case during the Tokyo Round of multilateral trade negotiations of the 1970s.

About 1,600 import items are affected with an import duty revenue value of some $200m (£105.2m) a year. The reductions were first proposed last December.

This move is parallel with the decision, finally made over the weekend to remove or ease 67 non-tariff barriers.

Mr John Biffen, the British Trade Secretary, who arrived in Tokyo yesterday, is expected to tell the Japanese Government that this package on non-*tariff barriers is welcome as a* start to the wider opening of the Japanese market.

During three days of talks, Mr *Biffen is* expected to push for greater UK aerospace sales. *He will be opening a British* Aerospace exhibition. Like his counterparts in the EEC and Japan, Mr Biffen is concerned about Japan's growing trade surplus.

The Japanese Foreign Ministry, however, has hinted that further action will be taken to ease trade tensions and that additional steps will be timed for international gatherings like the OECD ministerial meeting in May and the western economic summit planned for June.

Mr Hiromu Fukada, director-general of the Ministry's Economic Affairs Bureau, said Japan still had "a long way to go" in opening its markets. The effort by the Government so far was "almost unprecedented" and it will continue.

Following the decision to establish an office of trade ombudsman to deal with foreign trade grievances, the Japan External Trade Organisation yesterday set up a task force to ease trade friction.

The organisation, a semi-official agency, said it would receive complaints about non-tariff barriers through its 77 offices.

● Mitsubishi said it has agreed with Fisomex of Mexico and DSM of the Netherlands to enter a $500m (£263m) project to build a caprolactum and ammonium sulphate plant in Mexico.

Mitsubishi will take a 16.7 per cent equity in the joint venture company, with Fisomex meeting 77.7 per cent and DSM 5.6 per cent.

The plant, to be built from April on the Coatzacoalcos river in Veracruz state, will eventually manufacture 100,000 tonnes of caprolactam and 432,000 tonnes of ammonium sulphate per year for sale in Mexico, the U.S., Latin America and South-East Asia.

Shintaro Abe: talks may be held

Eximbank offers Third World yen financing

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

William Draper of Eximbank: search for innovative financing

THE EXPORT-IMPORT Bank of the U.S. (Eximbank) has decided to offer potential borrowers in less developed countries the option of financing the purchase of U.S. capital goods in Japanese yen.

The decision follows debate within the Reagan Administration on whether Eximbank should take an exchange rate risk. It reflects Eximbank's desire to offer innovative financing at a time when its lending rates are higher than those of international competitors.

Eximbank's own lending rate is 12 per cent. But yen finance may be offered at 9.25 per cent within the terms of the realignment of internationally agreed interest rates settled last October at a meeting of OECD nations.

The yen was singled out in the general realignment because of the lower level of interest rates in Japan compared with much of the rest of the industrialised world. The generally agreed minimum interest rates for export credits range from 10.0 to 11.25 per cent.

Mr William Draper, chairman, said that Eximbank has decided to offer yen financing to two potential borrowers, in Colombia and Indonesia:

● Carbocol, the Colombian state coal development agency, seeking over $750m to finance a major coal mine development;

● Ombilin Coal Mines in Sumatra, seeking $15m to cover the contract value of equipment to be supplied either by Caterpillar or through PT Alltrak 1978 a dealer in Indonesia for Fiat Allis, Koehring and Reygo.

However, the exact manner in which the yen finance will be offered, in these two cases or others, has not been settled.

Beyond straight guarantees of yen finance raised by others, Eximbank is considering a number of techniques to use yen.

Alan Friedman adds: The Export Credits Guarantee Department (ECGD) said talks are progressing with a syndicate of Japanese banks which will provide Yen 10bn to Yen 20bn of loans for British exporters to Japan.

The idea of ECGD-backed yen loans was mentioned by Mr Peter Rees, Minister for Trade, last November. The Japanese Finance Ministry is said to approve of such loans to OECD countries as a gesture to ease trade frictions.

The loans from Japanese banks, at interest rates based on the Japanese long-term prime lending rate, are expected to total up to Yen 350bn up to March.

Dutch shipbuilders report increase in orders

BY CHARLES BATCHELOR IN AMSTERDAM

DUTCH shipbuilders achieved a considerable increase in the size of orders last year, although the value of foreign orders fell. The restructuring of the industry, which has led to near-halving of capacity over the past five years, has begun to produce results, the National Association of Shipbuilders said.

Dutch yards had Fl 2.33bn (£484m) worth of orders on their books at the beginning of January—50 per cent more than at the start of 1981. Foreign orders accounted for Fl 660m of this figure compared with Fl 750m.

The decline in the value of the export order book shows that international demand for new vessels continues to be depressed. More shipowners are placing orders with their own national yards, often encouraged by government aid, the association said.

The Dutch shipyards had orders for 117 ships of 534,395 compensated gross tons in January compared with 94 vessels of 420,804 tons a year before.

The Shipbuilders' Association said it regretted the Government's decision to run down aid to the industry more rapidly than the special commission set up to co-ordinate the restructuring of the yards had recommended.

It also criticised the refusal to take into account inflation when dispensing aid.

Far East wins 19% share of Swiss clothing imports

BY JOHN WICKS IN ZURICH

RAPID INCREASE in clothing imports from the Far East is reported for the past year by the Swiss Clothing Industry Association.

Far Eastern countries have won a 19 per cent share of the value of Swiss clothing imports, which came to almost SwFr 2.5bn (£719.4m) in 1981.

Deliveries from Hong Kong rose by nearly 30 per cent last year, making the Crown Colony the third most important foreign supplier after West Germany and Italy.

At the same time, clothing imports from South Korea and India expanded by 108 per cent and 65 per cent, respectively.

Swiss clothing exports last year totalled about SwFr 615m and were thus equal to only about one quarter of the import value. As much as 43 per cent of all exports go to the neighbouring West German market.

The Association said it expects 1982 to be a "*difficult* year," because of cautious buying on the domestic market, weak economies abroad, overcapacity in neighbouring countries, a "tough price battle" with Far Eastern suppliers *and* a high Swiss franc exchange rate likely to hinder exports and favour imports.

Austria's deficit with Comecon trebles

By Paul Lendvai in Vienna

FUEL IMPORTS were mainly responsible for an unprecedented threefold rise in Austria's visible trade deficit with the Comecon states to Sch 12.2bn (£400m) last year.

According to Dr Josef Meisl, a departmental chief of the Ministry of Trade, energy imports accounted last year for a record proportion of 63 per cent of Austria's total imports from the East against 54 per cent in 1980 and 47 per cent in 1979.

But exports to the Comecon countries stagnated last year, rising by only 1.3 per cent from Sch 27.3bn to Sch 27.6bn. But during the same period imports rose from Sch 30.7bn to Sch 39.8bn.

A country-by-country breakdown shows a 21 per cent rise in exports to the Soviet Union to Sch 7.8bn. Nevertheless the steeply increased import bill for gas and oil widened the trade deficit from Sch 700m to Sch 13.6bn.

Austria's second most important market was Hungary with a 33 per cent increase in exports to Sch 6.6bn. Poland is, of course, less significant for Austria's exports but imports from Poland were cut down by Sch 400m to Sch 2.7bn. Exports dropped by Sch 2.4bn to Sch 3.6bn.

Austrian exports to East Germany and Bulgaria went up from Sch 3bn to Sch 3.8bn and from Sch 1.5bn to Sch 1.7bn respectively.

Sales to Romania were down by Sch 400m to Sch 3.15bn and to Czechoslovakia ... Sch 100m to Sch 2.8bn.

But Austria ran a Sch 50... surplus on its Yugoslav trade ... Sch 200m up on the figure for 1980, with Austrian exports reaching Sch 7.5... last year.

Austrian observers are concerned about the growing dependence of the country on energy imports in general and from the East Bloc in particular.

Imports account for almost ... per cent of the Austrian energy consumption with the East Bloc share reaching ... estimated 45 per cent.

Meanwhile, economists say that while Austria accounts only for 5 per cent of the West's total exports to Eastern Europe, Austria's share of the bank loans to the East reached 8.4 per cent last year. According to estimates of the Austrian Institute for Economic Research, the Comecon countries had at the end of 1981 in Austria a total net debt of Sch 980m, up ... Sch 220m. A year earlier bank loans accounted for ... Sch 780m.

Farmer Plant Engineering

THE largest single sub-contract won by a British company ... an Indonesian oil refinery expansion in Kalimantan was obtained not by Farmer Boilers, as reported in Monday's edition, but by Farmer Plant Engineering, a member of the S. W. Farmer group.

Shagari announces curbs on Nigerian steel imports

BY QUENTIN PEEL IN LAGOS

NIGERIA is to introduce restrictions on steel imports, which are running at some 3m tonnes a year, to protect its fledgling steel industry, President Shehu Shagari has announced.

He gave notice of the move at the official commissioning ceremony for the Naira 1.3bn (£1.1bn) Delta steel plant at Aladja, near Warri, in south-east *Nigeria—the largest steel complex* yet built in black Africa.

The Delta plant, built by a consortium of contractors from West Germany and Austria, with Indian technical advice, will have a capacity of 1m tonnes of liquid steel per year. It uses the direct reduction steelmaking process, drawing natural gas from the nearby oilfields.

President Shagari said his Government's intention was eventually to make Nigeria self-sufficient in steel products, but the establishment of the industry would require protection from steel imports.

Work is already under way on a blast furnace at Ajaokuta, on the Niger river, which is being built by Soviet contractors with an eventual capacity of 1.25m tonnes.

Brock attacks Europe's disunity

BY CHRISTOPHER LORENZ IN DAVOS

MR WILLIAM BROCK, the U.S. Trade Representative, yesterday attacked what he claimed was the basis on which Western Europe has been trading with the Soviet Union and the other Comecon countries over the last decade.

Addressing the Davos symposium organised by the European Management Forum, Mr Brock said there was not only the danger that the Siberian gas pipeline might increase European dependence "on an unreliable supplier," but that longer term Western trading and credit policy towards Eastern Europe had backfired.

Instead of stimulating greater independence within the Eastern Bloc, "we have achieved the unification of the Bloc and the disunity of (Western) Europe.

"Rather than benefiting from the *policy*, we have threatened our own unity," said Mr Brock. He questioned the policy of providing billions of dollars in credit to "incompetent" systems in the East, often on much better terms than those made available to developing countries.

Reiterating U.S. suggestions that any embargo on the Soviet Union *should* restrict transfer of high technology rather than the sale of ... wheat, Mr Brock also repeated his country's offer to increase coal exports to Western Europe as a substitute for Soviet natural gas.

He claimed that the construction of deep-water ports and other facilities in the U.S. would allow its coal exports to be doubled by 1985.

Mary Helen Spooner, in Santiago, reports on the gaping hole which has opened in the leadership of dissidents there

Death of a liberal leaves precarious future for Chile's opposition

CHILE LAST week mourned the death of one of its most popular presidents and the most influential leader of the opposition to General Augusto Pinochet's military regime. The death of Sr Eduardo Frei, a liberal reformer who served as president from 1964 to 1970, leaves a gaping hole in the leadership of Chile's embattled dissident groups.

Sr Frei's Christian Democrats were the largest political party in Chile and led the opposition *during* the ill-fated Socialist government of President Salvador Allende. During the past eight years of military rule, the Christian Democrats *have* emerged as the strongest dissenting bloc, although some party members initially supported the coup which ousted the Allende Government *in 1973, and in some cases,* even served important posts in the Pinochet regime.

After the Christian Democrats were ordered to disband as a party in 1977, its leaders soon began to suffer the iron-fisted blows of a regime which many observers say he helped instal. At the same time, supporters of Gen Pinochet tend to view the Christian Democrats as responsible for Sr Allende's rise to power 12 years ago.

Refused permission to attend funeral

These divisions still exist, as was evident in the aftermath of Sr Frei's death. Some leading Christian Democrats, who were expelled from Chile over the years by the regime were refused permission to re-enter the country *temporarily in order* to attend the funeral. They included Sr Andres Zaldivar, who had served as Finance Minister under the Frei Government, Sr Jaime Costillo, the former Justice Minister and President of the Chilean Human Rights Commission, and two former Christian Democratic legislators.

The regime sent security agents to the exiles' planes on their arrival at the airport, who escorted the Christian Democrats to the next flight out of the country.

The Government then scheduled a separate memorial service for officials and the local diplomatic corps four hours before the funeral mass and burial, to avoid any uncom*fortable confrontation* with Sr Frei's relatives and colleagues.

Nevertheless the crowd outside the cathedral, where Sr Frei's body was lying in state, *greeted the arrival of General* Pinochet and other officials with catcalls and cries of "assassin." At least 33 people were arrested during the services.

Increase in arrests in past 18 months

The absence of Sr Frei leaves Chile's opposition with an even more precarious future than before. Human rights groups have reported an increase in arrests over the past 18 months, and at least 13 people have died in what human rights campaigners say were questionable circumstances.

On the other hand, General Pinochet's regime seems almost oblivious to protests from foreign governments and international organisations.

A flood of protests following the arrest and exile of four Chilean opposition figures last August left the Government unruffled. Two left-wing trade unionists held since July on the vague *charges of* "labour misrepresentation" remain in jail, in spite of protests from labour organisations around the world.

Any prominent dissenter is likely to be expelled from the country *should he or she get too* vociferous. Sr Frei, as a former able than other opposition president, was a bit less vulnerable figures, yet the regime at one point even hinted that he, too, *could be expelled*, as was Sr Zaldivar for his criticisms of the regime's economic policies.

If Gen Pinochet's timetable set by the constitutional plebiscite in September 1980 is *fulfilled, he will remain in* office until 1989, when he will either begin another eight-year term in office, or turn over the presidency to a military-picked *successor*.

Sr Frei and the Christian Democrats were sharply critical of this plan, and were granted a limited opportunity to voice their views during a brief period before the plebiscite.

Two-thirds vote in favour of regime

But following the plebiscite, which showed a two-thirds vote in favour of the regime and its new authoritarian constitution, a Christian Democratic-led group monitoring the process delayed a full month before issuing a detailed report on irregularities during the voting.

Although the report included a number of well-founded criticisms, such as the absence of voter registration lists, the delay in issuing it damaged the opposition's cause as well as *suggesting* some complacency. In any case, the regime rejected the charges of poll-rigging.

A more disturbing question is what will be left of the political structure in Chile, *formerly* one of Latin America's oldest democracies, once the armed forces allow the parties to resume activity.

Some observers have pointed out that an entire generation of young Chileans is growing up with no experience of participating in their country's public life.

Yet the Christian Democrats at least, have managed to keep this part of their organisation almost intact. At Sr Frei's funeral, hundreds of young Christian Democratic sympathisers bearing white armbands were seen ushering the long queues of mourners, holding back the crowds and pleading for calm.

Eduardo Frei: his death deprives Chile's opposition of its most influential leader

Stansted inquiry is 'wasteful'

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE PUBLIC planning inquiry into the proposed development of Stansted, Essex, as the third major airport for London is strongly criticised as a "wasteful and inappropriate proceeding" by the Town and Country Planning Association in a letter to the Environment Secretary.

The association argues that the inquiry is "to inflexible to undertake a proper evaluation of the various airport proposals and their wide-ranging implications."

The criticism comes at the same time as the withdrawal of the association's own planning application for the establishment of an airport at Maplin, on reclaimed land off the Essex coast, as an alternative to Stansted.

Having been assured by Mr Graham Eyre, QC, the inquiry inspector, that the Maplin plan will be considered as part of the Town and Country Planning Association's overall objections to Stansted, the association says that withdrawing its formal application will help to save time and "simplify what has become a wasteful and inappropriate proceeding."

The association says that "in addition to the complex examination of five possible options for meeting excess air traffic demands, the inquiry is having to accommodate a review of regional planning policy both in the South-East and nationally.

"This is having to be done in a way which precludes the commissioning of independent research by the inspector even though the ultimate investment to be made in the airport could well have the most far-reaching effects of any in this country during the rest of this century.

"Moreover, the lengthy discussion of numerous minor issues or possibilities which requires the costly attendance of many parties only marginally involved is inefficient as a means of evaluating the broad issues that should be faced by the inquiry."

The association says the task "could only be done properly by a broad-ranging Planning Inquiry Commission able to initiate and commission its own research, and able to consider alternative airport sites or airport systems in a more thorough and objective way than is possible under the present inquiry's procedures."

Mr David Hall, the association's director, says "the Government has bungled the whole process and seems to have learned nothing from the experience of other big inquiries like Windscale and the Vale of Belvoir."

One of the problems of the Stansted inquiry, the association says, is that its inadequacies are compounded by the fact that it is denied access to government documents because they are deemed to be confidential, even though they bear directly on the issue.

● Landing charges at Manchester's international airport will rise by about 9 per cent from April 1. Charges for car parking and other amenities will increase by between 15 and 20 per cent.

Mr Gil Thompson, chief executive, said the main concern of the airport authority was to attract new airlines and new services, and, in keeping the increase in operational charges as low as possible, "we become a very attractive proposition for airlines compared with most other airports."

The airport handled a record number of 4.87m passengers last year, a 10 per cent rise on 1980. The number of aircraft movements fell by 1 per cent to 82,379, reflecting a greater use of wide-bodied aircraft.

BA executive backs fifth terminal for Heathrow

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

IF BRITISH AIRWAYS was forced to use Stansted Airport instead of a new Terminal Five at Heathrow, the airline would probably have to buy up to 40 more aircraft than it would otherwise need.

"And we will have to find between £150m and £200m a year extra to pay for those aircraft to fly," Mr Stephen Wheatcroft, director of economic development for British Airways, said in an article in the latest issue of Airline World.

Mr Wheatcroft commented on the debate confronting the Stansted Airport public inquiry on whether to increase Stansted's capacity to 15m passengers a year or build a Terminal Five at Heathrow. He said that British Airways' argument in favour of the latter was not just a "defensive manoeuvre."

"It is a policy that is in the interest of our whole industry, our passengers and our country's economy."

Mr Wheatcroft argued that with three airports to fly from, British Airways' activities would have to be spread between them to meet the competition, thereby diluting its strength. Furthermore, passengers would not enjoy the longer and costlier journeys they might have to make to reach Stansted.

He asked: "Are we going to see a half-empty Stansted, while a four-terminal Heathrow battles with ever increasing demand, inadequate terminals and internal roads and all the related problems we have seen at Heathrow in years gone by?"

On the other hand, a fifth terminal at Heathrow would enable some of the pressure on the Central Area to be lifted, thereby helping to make Heathrow a better airport for passengers.

Paper industry plea for help on high energy costs

BY MAURICE SAMUELSON

BRITAIN'S struggling paper industry has asked the Chancellor to recognise that high energy prices put it at an unfair disadvantage with its competitors and urged him to make allowance for this in the Budget.

In a letter to Sir Geoffrey Howe, Mr John Adams, director-general of the British Paper and Board Industry Federation, claimed the Prime Minister expressed concern last year that the industry should be able to compete on equal terms with continental manufacturers.

But it still remained at a disadvantage because of UK energy prices and the strength of sterling, said Mr Adams.

The federation wants a reduction in tax on heavy fuel oil—the cost of which is around 20 per cent higher than for many competitors; changes in electricity bulk supply tariffs; and concessionary loans, interest-free for the first two years, to help investment in energy efficiency measures.

Considerable aid for energy efficiency is provided by the West German and French governments and the EEC Commission is discussing the provision of loans to the Dutch paper industry.

The UK paper industry favours the UK joining the European Monetary System because of concern about the fluctuations and strength of sterling.

It also calls for lower interest rates and the removal of all or most of the National Insurance surcharge.

Appeal over 'branded' docks board to go ahead

By Raymond Hughes, Law Courts Correspondent

THE British Transport Docks Board has been branded as a guilty employer because of a National Dock Labour Board decision that the Docks Board had broken the 1967 dock workers employment scheme, the Court of Appeal was told yesterday.

That had inhibited the BTDB in negotiations and in its industrial relations generally, said Mr Douglas Day, for the docks board.

The court agreed that the BTDB's appeal against a High Court judge's refusal to quash the National Dock Labour Board's decision, should be expedited, probably within the next two months.

Mr Day told the appeal court that, because of industrial action by dock workers at Southampton, the docks board told them that if they were not prepared to work normally they would get no work at all.

The matter was referred to the National Dock Labour Board, which ruled that the docks board was in breach of the 1967 scheme but decided to take no further action.

One result of the decision was that the docks board had to pay more than £600,000 in back wages.

Colliery 'mountains' may become mudflats

Nick Garnett looks at ambitious plans to dispose of ugly slag heaps by transporting pit spoil to a stretch of mud on the Humber estuary

AROUND BRITAIN GRIMSBY

YORKSHIRE'S planners and environmentalists have been staring gloomily for years at the mountainous heaps of colliery soil churned out from the area's coalfields.

This anxiety has been heightened by the massive investment pouring into a few of the National Coal Board's operations north of Barnsley.

As a result of those mounting piles, studies are now going on into the possibility of undertaking the biggest waste removal and land reclamation scheme ever carried out in Britain and one of the largest of its type in Europe.

It would involve the transportation, over 15 to 20 years, of 60m to 80m tons of pit spoil from South and West Yorskhire to a stretch of mud near Pyewipe immediately north of Grimsby on the Humber estuary.

The project's supporters believe that apart from relieving at least a small part of Yorkshire's growing landscape blight, it might provide more room for the NCB to expand as well as establish a site for heavy industry on South Humberside.

But not everyone is happy about the scheme. There is considerable concern not only over cost but also about other environmental impacts, including the effects on the Humber.

A body known as the Strategic Conference of County Councils of Yorkshire and Humberside will shortly be examining a report on the issue drawn up by the coutries' engineers. But the pressure on the NCB to remove spoil will mount anyway if new coal-getting developments east of the A1 trunk road prove to be dirty—that is, unlike the Selby coalfield, spoil has to be brought to the surface.

The initiative for the project has derived from West and South Yorkshire. The scheme has been designed to handle the spoil produced at the pits of Grimethorpe and South Kirkby which are subject to huge NCB investment.

Environmental worries about these two projects revolve around their sheer size and the coal preparation plans. The planned system of underground drivages are likely to produce two or three huge spoil heaps rather than a dozen or more smaller ones.

The nature of the spoil will also change. Thirty years ago, the ratio of coal to waste was 10 to one, but this is now down to 1.6 to one in this coalfield.

Grimethorpe will produce an estimated 2½m tons of spoil a year for the next five years and South Kirkby 1¼m tons.

This is admittedly small in relation to total output of waste in the coalfield. Four years ago this was being poured out at the rate of 21m tons yearly and waste tips already amount to 400m tons.

The coalfield was then using up 125 acres of land a year to absorb spoil but forecasts have put the need as high as 500 acres a year in the next decade.

The recent Flowers Commission report on energy and conservation appears to accept that there might not be sufficient land in the Yorkshire coal fields to handle spoil and points to the Pyewipe scheme as a possible solution.

There seems to be substantial support for the scheme at Grimsby, whose mud flats would receive the colliery spoil largely by train, and for which a spur rail line already runs up to the area. The potential site for the waste is about 1,000 acres and would be filled to a depth of 30 feet.

Objectors to the scheme point to a number of features. One is cost, estimated currently at slightly more than £3 a ton to move the waste—a total of £180m to £200m for the project. The councils cannot afford this, of course, but they would be expected to seek EEC aid. The question then arises, what support would be available from the NCB?

The difficulty here is that the pits are run as profit centres. Some councillors argue that if individual Yorkshire pits bore some of the costs of the Pyewipe project, the NCB would have no choice but to shut down some of these collieries on grounds of price competitiveness.

The British Transport Docks Board, which leases the bed of the Humber and the mud flats from the Crown Commission, is nervous about the impact on river flow and silting and therefore navigation for barges and the bigger vessels using Immingham, Hull and Goole.

Finally, there is the whole issue of whether the expenditure is justified in relation to Yorkshire's environment and Grimsby's lack of industrial sites, especially as there is scope for industrial development in other parts of South Humberside, particularly around Scunthorpe, which has been badly hit by steel closures.

Driving fines not to rise

LAW-BREAKING motorists are being spared the effects of inflation when magistrates decide on fines. The Magistrates' Association, in its latest guidance on penalties, has proposed that there should be no general increase.

The guidelines were last reviewed more than three years ago.

The association decided that courts should use their descretion in deciding whether a fine should be adjusted from the suggested level because the financial circumstances of many people had not necessarily gone up in line with inflation.

UK NEWS

Actuaries launch European operation

By Eric Short

THREE ACTUARIAL consultancy firms have combined to launch a Europen operation called EURACS, European Actuarial Consultancy Services. They are Bacon & Woodrow, Duncan C. Fraser and R. Watson & Sons.

They have agreed with Banque Bruxelles Lambert, the second largest bank in Belgium, to acquire its penson consultancy division.

The division will be the new company and will provide experts in actuarial, legal, taxation and design aspects of employee benefits in Belgium and other European countries.

The venture is a departure from normal operation of UK acturial firms. Usually they are in keen if friendly competition to advise clients on pensions and related acturial matters. All three firms have found, however, they have lost business because their expertise is still primarily in UK pensions advice only.

Multi-national companies these days seek consultancy advice from one firm on all aspects of employee benefit and total remuneration, on a world-wide basis. These companies centrally co-ordinate employee benefit policy and strategy for all their operations and these days a consultancy is expected to offer a comprehensive service.

The pension and employee benefit companies, often under the umbrella of a multi-national insurance-broking parent, have provided this service for some time, establishing overseas branches or linking with local benefit companies.

EURACS will operate as a partnership. Each UK firm will provide two partners. Banque Bruxelles retains its fund-management responsibilities to clients.

Bank governor speaks out on U.S. monetary policy

BY DAVID MARSH AND WILLIAM HALL

MR GORDON RICHARDSON, Governor of the Bank of England, last night voiced concern about the impact of U.S. monetary policies on the rest of the world.

He called on the U.S. authorities to show "consistency, patience and common sense" in the conduct of monetary policy and advised against "obsessive concern with short-term developments in the monetary aggregates."

The prospective size of the U.S. budget deficit was causing anxiety both abroad and on Wall Street about the prospect of American interest rates remaining high, he said.

Mr Richardson was speaking at the annual banquet of the Overseas Bankers Club in London, where another guest speaker was Sir Philip Haddon-Cave, Chief Secretary of Hong Kong.

In a remark which may have been an allusion to the recent controversy over the Bank's opposition to the Hongkong and Shanghai Bank's bid to take over the Royal Bank of Scotland, Mr Richardson said:

"The record of the City's development, historically and over a more recent time scale, does not support for one moment charges we sometimes face of inflexibility or hostility to competition."

Mr Richardson's comments on U.S. policies followed last week's appeal by Sir Geoffrey Howe, Chancellor of the Exchequer, for the U.S. to curb its budget deficit and reduce interest rates.

Mr Richardson said there was a danger in the U.S. that too much of the burden of the fight against inflation was being borne by monetary policy, and too little by fiscal policy.

He coupled a plea for American action to lessen the height and volatility of interest rates with a call on the Japanese Government to do more to expand its imports in order to stave off world protectionism.

He said it would be helpful if Japanese trading corporations realised that they would be serving their own interests "to turn their great skill and influence to securing a striking increase in their country's imports."

Faced with slow growth, high unemployment and competition from the more vigorous economies of the Far East, the countries in the West with older established industries could find it "dangerously seductive" to try to protect domestic markets from foreign intrusion, he said.

Davignon says switch to coal 'a priority'

BY MAURICE SAMUELSON

VISCOUNT Etienne Davignon, the EEC's vice-president and commissioner in charge of energy and industry, yesterday called for a "political commitment" by European governments to help industry switch to coal and cut dependence on oil.

The Commission felt that governments should make this a priority before economic recovery occurred, he told a Coal Industry Society lunch in London. It would make good sense economically and in terms of energy policy, he said.

Later Viscount Davignon agreed with the charge, reported in yesterday's Financial Times, that British industry is being denied access by the Treasury to millions of pounds of low interest EEC funds which could be used for converting factories to coal from oil or gas.

He described as "a silly device" the Treasury's decision to give exchange risk cover for only £15m worth of loans for boiler conversion by British companies.

The money is part of £400m allocated to Britain in December for the next two calendar years. Most of it is available at 3 per cent below commercial interest rates, for job creation projects.

But EEC officials doubt if it will all be taken up and think that more should be alloted to boiler conversion.

As the loans are in a mixture of foreign currencies, the Treasury has to grant exchange risk cover and can decide how much cover to give particular schemes.

It was ironic that while the EEC was accused of not giving enough in aid; advantage was not being taken of the money that was available. "It's a pity and I cannot comprehend it," said Viscount Darignon.

The Treasury last night admitted that this limit had been set but indicated it would be removed if British industry made a strong enough case to do so.

High Court bans use of frozen bank funds

By Raymond Hughes, Law Courts Correspondent

A PLEA by a former executive in the Johnson and Firth Brown group to be allowed to take £10,000 from his frozen bank account to defend pending committal proceedings against him was rejected by a High Court Judge yesterday.

Mr David Collins, formerly managing director of Midland Rollmakers, is one of 23 individuals and companies facing a £6m claim for damages for an alleged fraudulent conspiracy against four group companies.

Midland Rollmakers, Johnson and Firth Brown, Gibson Engineering Company and Firth Brown allege that the conspirators set up a rival business, using the group's confidential information.

Mr Justice Walton said that, as far as Mr Collins was concerned, the case was unanswerable. He had admitted he had no hope of successfully defending the charge that he had been part of a well-organised and well-orchestrated conspiracy.

He had gone to the U.S., where he had apparently got a job at a not inconsiderable salary. In July 1980, the High Court had frozen his U.S. bank account, containing the £30,000 proceeds of the sale of his house.

He now faced committal proceedings for allegedly disobeying court orders to hand over documents, and asked to be allowed to draw up to £10,000 from the frozen account to pay his solicitors.

But the £30,000 did not really belong to Mr Collins but to his creditors. Legally he was liable, as a conspirator, for the whole of the damages claimed.

A De Lorean dealer who believes he cannot lose

Reginald Dale, U.S. Editor, takes a test drive and wins a prize

AT THE De Lorean company's New York office, they say company policy prohibits the test driving of their cars by British journalists.

The cars that De Lorean sells for about $26,000 (£13,978) in the U.S. do not meet European specifications, they say, and they are afraid that anyone used to European cars and driving standards wil unfairly make unfavourable comparisons.

Telling them that you live in the U.S. and drive an American car does not persuade them to change their minds.

America being America, it is not only perfectly easy to arrange your own test drive, you actually get paid for it.

When I rang Anton Motors in Rockville, Maryland, on Friday, a manager told me: "This is your lucky day." Not only did it have five De Loreans in stock, but by calling that day I had qualified for the January "cash sweepstake." I was told I could not fail to win less than $10 in cash and could win up to $500 by simply paying Anton a visit.

When I got there, I discovered I could also win eight days in Hawaii, $1,000 worth of groceries or have my January heating bills paid—and. I did not even have to buy a car, just drive one around for "a few minutes.

Predictably, I won just $10. This was not, it turned out, a desperate bid to get rid of De Lorean cars before the company folds. The Anton Motors showroom in Rockville, a drab and rather distant Washington suburb, deals mainly in Toyotas, Volvos and Mercedes, and on Saturday morning the place was packed with potential customers who had clearly not heard that a recession was on—or that the Government was trying to reduce foreign car imports. The manager said he was expecting to sell about 30 cars that day.

Far from panicking at the De Lorean company's plight, Anton is buying De Loreans from other, more nervous dealers—there are about half a dozen in the Washington area—and selling them briskly. It had sold seven in January.

The salesman I was assigned said that if the company collapsed the cars would immediately increase in value because of their rarity. And with a Renault-Peugeot-Volvo engine, there would never be any problem with spare parts. De Loreans could be serviced at any Volvo garage. He was not prepared to offer me a discount of more than a few dollars.

The car, which only takes two, is squat, yet sleek, less than four feet high, and comes only in a silvery stainless steel finish. (You do not need to polish it, just wash it with washing-up liquid, said the company).

The engine is at the back, leaving little luggage space under the bonnet.

The car's unique feature is the "gull's wing" formed when the two doors are opened upwards. For maximum effect, said someone at the garage, it should be driven with the doors open.

When my colleague and I lowered ourselves into the car, we found ourselves reclining in roughly the sort of position in which one reads in bed or lies in the bath.

It was not uncomfortable, but there were two main problems. It was difficult to see out of the rear window, because of the large slats across the top of the engine and, in spite of the hollows in the roof above each seat, we kept banging our heads.

The car drove smoothly and accelerated well, though it was noisier than we had expected. We could not take it much above 65 mph because that's the Maryland police are a bit fussy.

We did not like the way only a small part of the windows opened, and I found both the clutch and the gears far too stiff. When my colleagues tried to turn the radio on, the knob came off in his hand.

But there were plenty of modern gimmicks — electrically operated tinted windows and side-view mirrors, a digital clock, a stereo cassette and radio, and a telescopic steering column. The car also has disc brakes, air-conditioning and electronic ignition.

It was a 1981 model—they were expecting the 1982s in March—and petrol consumption was officially said to be 19 mpg. The stainless steel body was guaranteed against rust for 25 years.

Back at Anton Motors, we had difficulty in climbing out of the low bucket seats. It is not a car for the elderly.

A passerby commented on its "cool body," and the salesman said it was often mistaken for a Ferrari.

He said it was not expensive by American standards, and if I wanted, I could pay for it and drive off immediately.

But, in the best Fleet Street tradition, we made our excuses and left.

The entrepreneur's guide to the management buy-out

Duncan Campbell-Smith reviews the Economist Intelligence Unit's trip around a booming banking sector, the search for risk and riches.

ONLY A NICKNAME will soon be lacking to complete the selling of one of the most intriguing and successful products in the banking sector for many years — the Management Buy-Out.

A comprehensive guide to the Buy Out — for sellers, managers and investors — is published today by the Economist Intelligence Unit.

A more sonorous name is still wanting. But the unit's 132-page guide provides an exemplary tour around this booming sector of the economy. It cuts jargon to a minimum, and even adds a lengthy glossary of phrases and sayings which are bound to become well-known to every aspiring entrepreneur in search of risk and riches.

The search for riches beyond the land of salaries and job security is surely the essence of most buy-outs. This makes it a little depressing that the guide's introduction fights curiously shy of the profit motive in discussing buy-out incentives.

Indeed, almost the only straightforward statement of good honest capitalist intent comes, predictably enough, from a U.S. bank in its answers to a questionnaire. (Thirty institutions filled it in and their replies are printed as an appendix).

Its objectives, says Citicorp Development Capital, are "to make profits as an investor, not as an arranger of debts."

No such exalted position is available for profit in the introduction, where rather too much emphasis is surely laid on socially laudable but commercially second-rate motives. Even when the authors get past the advantages of buy-outs in preserving companies which might otherwise go under, the reader hardly feels privy to a world of opportunity and challenge.

There is, the reader is told, "a quite positive angle" to buy-outs. The chance to build a fortune? The hope of taking one's business to the public market one day? "It will no longer be necessary to produce alibis at head office or for anyone else." Running your own company may mean you "achieve more status in the local community and can of course become relatively well off."

With profits so little stressed, the question of future flotations—on the Unlisted Securities Market, for example—is not surprisingly one of the few areas which the report neglects, though in the circumstances of a major buy-out it can be a significant consideration in the minds of managers and investors alike.

The report's introduction seems otherwise unabashed in proclaiming the importance of buy-outs. They should be viewed, it says, "as part of a much wider phase in the evolution of the structure of capitalist enterprises."

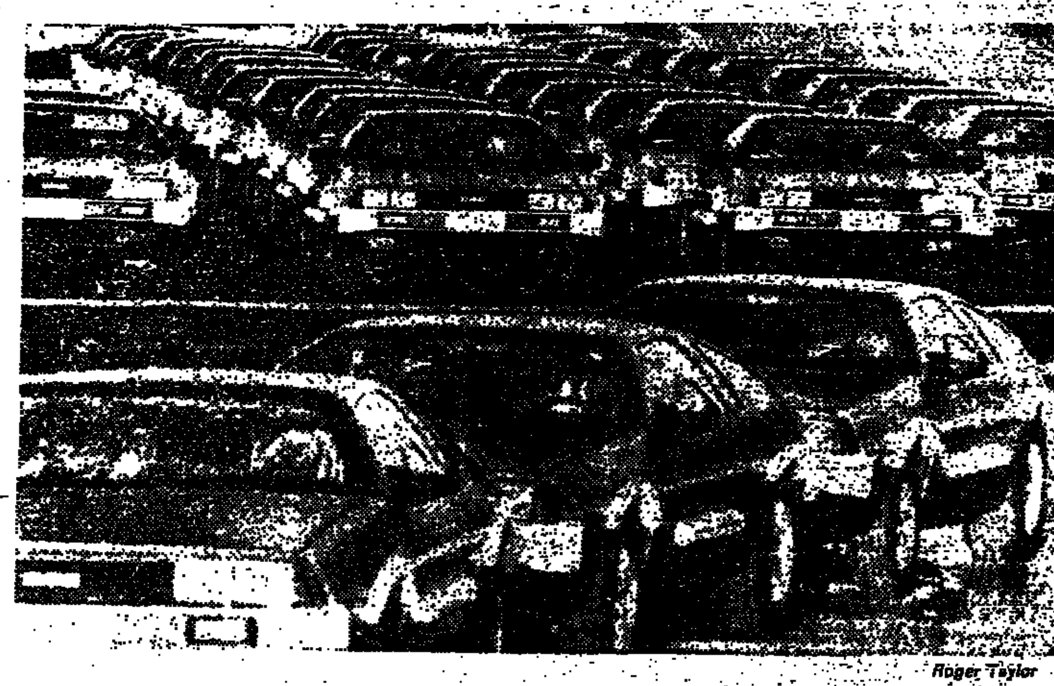
This evolution includes a drift towards smaller rather than bigger enterprises and a heightened awareness of how capital can be distributed to encourage higher productivity (an anathema to traditional trade union thinking, says the report).

To assist the phenomenon on its way, the EIU report looks in detail at the commercial, financial, legal and tax aspects of completing a buy-out.

It comes down firmly in favour of letting professional advisers handle the sharp end of sale negotiations with the vendor. But elaborate checklists are provided for several aspects of a typical transaction.

At the very least, the tax chapter will alert prospective buy-out partners to the enormous complexities of "an unfriendly if not downright hostile tax environment."

Management Buy-Outs EIU Special Report No. 115. Contributing editors: Lance Blackstone, FCA, and David Franks, FCA. Published (price £30) by the Economist Intelligence Unit (01-493 6711).



Roger Taylor

Hundreds of De Lorean cars waiting for buyers outside the Belfast Dunmurry plant

Foot supports aid 'if prospects good'

BY OUR BELFAST CORRESPONDENT

THE GOVERNMENT should give the De Lorean sports car company more financial help if the assessment of its prospects showed it had a future, Mr Michael Foot, the Opposition leader, said in Belfast yesterday.

Mr Foot, in Northern Ireland for talks with politicians and trade unions, was asked if a Labour government would be prepared to find more money for De Lorean. The company has announced 1,100 redundancies because of cash flow problems and the slump in U.S. car markets.

He said the Labour Government had intervened to establish the De Lorean project in Belfast but "many false impressions" had been given about the venture.

"There is an inquiry going on now and trade unionists to whom we spoke today all believe that this will show there is a good future for De Lorean," he said. "In that case we believe government money should be made available to sustain it."

He said the establishment of the project had been a major achievement and it would be a tragedy if it were to be set back.

Accountants from Coopers and Lybrand were yesterday examining De Lorean's activities in Belfast as part of the Government's review of the company's performance and prospects. They are understood to be studying the agreement between De Lorean and the Government to see whether any restructuring of the company would improve its financial standing.

Sir Kenneth Cork, the City accountant who is acting as special adviser to the Government on De Lorean's financial crisis, is due to present a report on the company to Mr James Prior, the Northern Ireland Secretary, within two weeks.

The table of costs in Monday's Financial Times Business Opinion Survey was incorrectly set. The correct table is as follows:

COSTS

Wages rise by:	Oct.-Jan. %	Sept.-Dec. %	Aug.-Nov. %	July-Oct. %	Elect. Eng'g. %	Motor & C'sumer Durables %	Stores & C'sumer Services %
	4 monthly moving total				January 1982		
0-4%	2	4	4	3	0	0	0
5-9%	80	75	67	71	68	100	84
10-14%	14	13	17	16	32	0	12
Remain the same	0	2	2	2	0	0	0
No answer	4	7	10	9	0	0	4

Underwriter seeks Lloyd's decision on his future

BY JOHN MOORE

A LLOYD'S underwriter who has been found guilty, in an internal arbitration, of conduct discreditable to him as an underwriter, has petitioned Lloyd's to summon an extraordinary general meeting to determine his fate as soon as possible.

This development, unprecedented in Lloyd's 300-year history, follows a unique decision by Lloyd's following arbitration proceedings against Mr Reid Wilson, the underwriter.

His case had been discussed between internal arbitrators after a special internal inquiry had examined the trading relationship between syndicate 566 and the Lloyd's insurance broking company of the Christopher Moran Group. Mr Wilson had been the active underwriter on syndicate 566.

After the arbitration, Lloyd's, for the first time in its history, decided to call a meeting of the 20,000 members to decide whether Mr Wilson should be excluded from membership.

But Lloyd's decided to defer the meeting until the conclusion of outstanding arbitration under section 20 of the Lloyd's Act of 1871 against Mr Christopher Moran.

The Lloyd's chairman has indicated that this will not be before the end of October. Mr Moran's arbitration is due to take place on July 12.

Mr Wilson said yesterday that "justice delayed is justice denied," and has requisitioned an extraordinary general meeting "forthwith." His requisition letter is signed by 27 Lloyd's members.

He and his supporters argue that such delay is unjust.

During the waiting period Mr Wilson is precluded from any employment at Lloyd's. Lloyd's argues that the delay is necessary in case members' decision on Mr Wilson's case prejudices the outcome of the Moran arbitration.

Call for flexible retirement age

By Eric Short

A CALL for the Government to introduce a flexible retirement age in the state pension scheme has been made by the Society of Pension Consultants.

In its submission to the House of Commons Social Services Committee on "The Age of Retirement," the society pointed out that the present system of discriminating between men and women over the retirement age—65 *for men* and 60 *for women*—was illogical. It said that pressure of public opinion and the example of other countries, as well as the logic of the situation, will ultimately compel the Government to treat men and women equally over retirement.

The society said much of the dissatisfaction with the present system arises because of the fixed retirement age. Some people are forced to *retire before they are ready* to do so and others have to continue working until retirement age when they would have preferred to stop working.

Thus the society argued that the Government needs to adopt a more flexible approach to retirement and that the introduction of a flexible retirement age between 60 and 70 would remove the present discrimination in an acceptable way.

The society warns, however, that any change should be cheap, particularly in the current economic climate. It could not recommend the general lowering of the retirement age to 60 because of the cost.

Why the plug was pulled on Hygena

Mark Webster looks at the sudden closure of one of the big British kitchen furniture companies

HYGENA's smart Mayfair *showroom* had its busiest day in months last week. "The phone's been going all day," said *Mrs Liz Humble*, the harassed manager.

Hygena, one of the best known names in British kitchen furniture, announced suddenly on *Wednesday that it was closing*, sparking a flurry of anxious inquiries from customers and distributors.

"Will we get our kitchen?" "What's happening to the factory?" Apart from assuring them that there were ample *stocks of home-assembly kit* furniture in store, Mrs Humble was no better informed than the *inquirers*.

"The closure of the company has shattered me," said Mrs Humble, who had struggled to work in spite of the rail strike. "We felt we had just launched a fantastic new range and we had been waiting for it to start selling."

Bombshell

Hygena's parent company, the diversified Norcros group, said the closure was inevitable because of the poor projections for the kitchen furniture maker in a depressed market.

But the timing has caused fury among many of the 60 or so distributors selected for Hygena's new range of quality fitted kitchens—the Stately collection. Many had cleared space in their showrooms and had even begun to instal the *kitchens when Norcros dropped* its bombshell.

Mr Christopher Terry, a consultant to the Kitchen and Tile Market, one of London's biggest distributors of Hygena's quality goods, said he was not surprised by the closure but was amazed at the timing.

"*If they had closed in October* they could have saved themselves hundreds of thousands," he said. Instead, Hygena had gone on to develop the Stately collection and appoint distributors. What was even more frustrating, he said, was that the new range had attracted a great deal of interest and orders had started coming in fast.

Evidently irritated by the suddenness of Hygena's closure, he gave three essential reasons *for the company's failure* to survive and keep its market share over the past decade:

- *Lack of a coherent market*ing strategy for its products.
- Weak management.
- Lack of training for sales staff.

Mr Ken Walker, Hygena's managing director for the past 18 months, was reluctant to talk about the company's failure while the process of winding up was being completed. But he admitted: "Any company which is not successful, at the end of the day you have to blame the management. That's my personal view."

Norcros said it had tried *everything to get the company* back on its feet. There had been a substantial injection of funds, *factory closures, management* reorganisation, introduction of new products and cuts in the *workforce from the mid-1970s* peak of 2,000 to 640.

None the less, the company *had turned in a profit only once* in the past seven years. In the others, it had run up losses *totalling nearly £10m*, including a deficit of more than £1m for the last financial year. Norcros said there was no justification for further investment with figures like that.

The company's market share had slipped to only 6 per cent of an annual market worth an estimated £320m in 1982 compared with £260m last year. The growth rates are optimistic in comparison with previous years *and most British manufacturers* expect the chill winds of recession to blow for some years.

The Staffordshire - based Grovewood company is the nearest comparable undertaking to Hygena. It produces both the rigid pre-assembled luxury kitchen furniture and the home-assembly kits.

Mr Mike Walton, managing *director*, said the problem the industry was facing was that "the reduction in consumer spending has slowed the rate of growth in sales but has kept going. At the same time, there has been an enormous increase in the volume of production hitting the market."

Hygena showed the way when it launched its Hygena QA range of "cheap and cheerful" kitchen furniture in 1969, cashing in on the growing volume of consumer spending and the do-it-yourself boom. By the mid-1970s there were more than 150 companies making kitchen furniture but Hygena was clearly the leader with more than 20 per cent of the total market.

The boom was running out of energy by then and manufacturers found themselves with substantial over-capacity at home and increasing competition from abroad. The market also began to polarise. At the cheap end, large companies like Humber on Humberside were selling high volumes directly to outlets such as MFI. In the quality market, customers were being increasingly choosy.

In some senses, Hygena fell between these two markets by concentrating on its home assembly kits until it realised that it was losing its share of the quality kitchens. By the time it launched the Stately range, Norcros had decided to pull the plug.

Another leading British *manufacturer*, Wrighton, said it had always maintained its position making quality kitchen furniture. Mr Peter Carnwath, finance director, said the company had to cut its overheads by trimming the labour force and closing its Walthamstow factory but had managed to stay in profit for all but last year.

"Turnover has been holding up reasonably well," he said. "We have been operating on much lower costs in order to weather this terrible recession and we have, I think, managed to survive better than the reports that we have had from some of our competitors."

Turnover

But the only competitors in the industry who are really laughing are the foreign companies who have made a rapid penetration of the British market in the past 10 years. Foreigners, particularly the West Germans, have about 25 to 30 per cent of the total market in luxury kitchens worth an estimated £110m last year and some £130m this year.

Mr John Kidd, managing *director of the West German* Poggenpohl's British subsidiary, said his company's sales were *rising 15 to 20 per cent a year*. Since setting up in Britain in 1972, the company's turnover had risen to £6m *a year, out of* a group turnover of £60m.

"It's easier for us because, with a turnover of £60m a year, we have a tremendous variety of ranges and we have been able to build on our expertise," he said.

He refused to blame British companies for not holding on to their market share. "How can a company *with a turnover of* only £5m hope to compete?" he asked.

Port of Dover has record year

BY LYNTON McLAIN, TRANSPORT CORRESPONDENT

THE PORT of Dover handled a record number of passengers and tourist vehicles in 1981. It *ended the year with freight-lorry traffic* up almost 6 per cent on the previous year, to *a total 510,613 lorries, in spite of the* decline in the number of these vehicles using the *facility* in the early part of the year.

Almost 12.5m passengers used the port, a rise of 13 per cent on 1980. The number of accompanied motor vehicles such as cars, coaches and motorcycles rose by 11.4 per cent to 1.6m vehicles.

Ferry services nevertheless declined in the face of competition from hovercraft services. The total number of ferry arrivals and departures fell by 999 to 45,738 by the end of the year, a 2.14 per cent decline. Hovercraft services rose, by almost 500 arrivals and departures, to 6,905, a rise of more than 7 per cent on the previous year.

The number of other vessels entering Dover fell by a third, to 540 vessels.

Freight tonnage through the port rose by just under 1 per cent, to 6.826m tonnes. Roll-on, roll-off freight not included in the commercial road-haulage vehicle category rose by 34 per cent, to a total 91,270 units.

● Total freight traffic through UK ports in 1980, the latest available figure, fell by 3 per cent to 414m tonnes, according to the Transport Department and the British Ports Association. Fuel traffic was the same as in 1979 but non-fuel traffic was down by 7 per cent.

Unitised traffic—such as containers, road-freight vehicles and other roll-on, roll-off freight—remained at the same level as in 1979 but increased market share from 27 per cent to 29 per cent of non-fuel traffic.

The financial position of most UK ports deteriorated in 1980. The aggregate accounts for principal port authorities showed a £2m deficit, compared with a £25m surplus in 1979.

London, Bristol and Liverpool ports had the largest deficits. UK ports exported 80m tonnes of oil in 1980, a rise of 11 per cent on 1979. Non-fuel exports rose in 1980 by 5 per cent compared with 1979, to 37m tonnes. Unmilled cereals and scrap-metal showed the greatest increases.

Nimslo in £64.5m 3D camera deal with Timex

BY ELAINE WILLIAMS

NIMSLO INTERNATIONAL, developer of a three dimensional camera, has sold $120m (£64.5m) worth of cameras to the Timex Corporation.

According to Nimslo, the agreement involves the supply of 300,000 3D cameras for sale in the U.S. where the device is due to be launched.

Timex already has close ties with Nimslo, since it manufactures the 3D camera at its Dundee factory in Scotland. Production there has been 35,000 to 45,000 cameras a month.

Nimslo has had impressive City backing during the camera's long development phase. Following the issue of 7.5m new shares in December last year the company was valued at about £190m on the stock market.

Nimslo cameras have four lenses and use standard 35mm colour film. The 3D effect is produced by combining the four images during processing on a special printing material with a transparent corrugated surface.

The cameras, which cost less than $200, are scheduled to go on sale in March, more than two years behind schedule. The company is aiming for sales of about 250,000 during the first year.

NCB squares up for the battle of Belvoir

Martin Dickson reports on the controversial plan to mine in the Vale of Belvoir

A QUIET BATTLE with big implications for UK environmental and energy policy is being waged in Whitehall over the National Coal Board's controversial plans to mine in the Vale of Belvoir.

More than 18 months after a long public planning inquiry, *ministers remain* divided over the Coal Board's proposals to extract 7.2m tonnes of coal a year *from this scenic area of* north east Leicestershire, beginning in the 1990s.

Mr Michael Heseltine, the Environment Secretary, is believed to remain firmly opposed to development, while the Department of Energy is strongly in favour of it.

A compromise solution has been suggested under which the NCB would reduce from three to two the number of pits it develops. But this is believed to find little favour with Mr Heseltine.

The final decision on Belvoir rests with him but given the political sensitivity of the issue, he seems certain to first seek a Cabinet consensus. Against this background, the opinion of Mrs Thatcher, the Prime Minister, is likely to be of key importance—and there is *speculation* and concern in the coal industry that she opposes development.

The *Government is expected* to move towards a decision in the next few months. Discussion of the issue has apparently been deferred until now because of a desire not to get it entangled with the miners' pay talks (settled this month).

The gloomiest voices in the coal industry are now saying the NCB has little chance of getting permission *for* all three pits it wants.

The two most vulnerable mines are those planned for the villages of Hose and Saltby. Hose is the only site actually in the Vale and it is probably the most sensitive from an environmental viewpoint: the NCB's plans would include creating a big waste tip near the village and beneath an attractive tree-lined escarpment.

Saltby is also attractive, but the NCB pit there would be built on a nearby disused airfield. The third site—*Asfordby*, near Melton Mowbray—is dour and undistinguished and already has substantial industrial development around it.

Under the existing plan, construction work at Asfordby and Hose is supposed to begin simultaneously, with Saltby following four years later.

The NCB says development of Belvoir is essential to meet the UK's energy needs from the 1990s. The project is a central element in its *multi-billion* pound programme to revive the fortunes of the UK industry.

It also makes the political point that a green light would mean continued employment for 4,000 Leicestershire miners whose existing pits will be exhausted by the end of the decade.

Leicestershire miners are traditionally moderate — and were the only delegates at a *special miners'* conference before Christmas who stood out against militant action on pay. Rejection of Belvoir, the argument goes, would be a poor reward for their moderation.

None of this seems to have cut much ice with Mr Heseltine, who, in a confidential memorandum to the *Cabinet's* economic committee last spring, said he was not convinced there would be a market for Belvoir coal and could therefore see no reason to allow the Vale to be damaged.

In saying this, he was rejecting *the advice* of Mr Michael Mann, the inspector who headed the 84-day Belvoir inquiry. He recommended that *planning* permission be given for all three pits but said the construction of spoil tips at two of them should be refused.

Mrs Thatcher, *who* was brought up in Grantham, Lincolnshire, only a few miles from the Vale, could face a difficult choice between the demands of energy and the environment—and the decision will have strong political overtones.

In *February* last year her Government suffered one of its worst political defeats when it backed away from a confrontation with the miners *over* pit closures. Analysts wonder whether the Prime Minister is still smarting, or *whether the* recent miners' vote to accept the NCB's pay offer has given her a better opinion of the coal industry.

Labour attacks nuclear timetable

BY IVOR OWEN

GOVERNMENT HOPES of being able to place an order for Britain's first Pressurised Water Reactor nuclear power station by mid-1984 were challenged by Labour leaders in the Commons last night.

Mr Nigel Lawson, the Energy Secretary, emphasised that the timescale depends on the outcome of a public inquiry due to start in January next year into proposals to site a PWR station at Sizewell in Suffolk.

But he told MPs: "*I see no* prima facie reason to suppose that if the outcome of the inquiry is a favourable one, the Government will not be in a position to take a final decision during the lifetime of the present parliament."

Both Mr Merlyn Rees, the shadow Energy Minister, and Mr Tony Benn, Energy Secretary in the last Labour government, urged a more cautious approach with the final decision being left to the House of Commons.

Mr Benn underlined his concern about the safety aspects of the PWR and said it was only as a result of a decision imposed on him by his Cabinet colleagues that he agreed in 1978 to announce that the Labour government had come in favour of developing the option of adopting the PWR system in the early 1980s.

This announcement was quoted by Mr Lawson in his opening speech. He welcomed Mr Benn's words as a "manifestation of consensus politics."

Under challenge from the minister Mr Benn later explained how he had been overruled by the Labour Cabinet, and emphasised that his view that it would be wrong to build the PWR had never altered.

Mr Benn went on to argue that the time had come to consider scaling-down the role of nuclear power in Britain's long-term energy plans.

He emphasised that he was expressing a personal view and was not purporting to speak for either the Labour Party or the TUC, whose policies were on record.

Mr Benn made it clear that his anxieties about the PWR had been increased by the Harrisburg incident in the United States. His attitude had also been influenced by the serious leak which occurred at Windscale in the spring of 1979, he said.

These events, and other factors, he claimed, amounted to a powerful argument for caution. He believed there should be no PWR, no fast breeder reactor and orders for the British-designed Advanced Gas-cooled Reactor.

Earlier, Mr Lawson stressed that he expected nuclear power to make an increasing contribution to Britain's electricity supplies.

He accepted that this must be subject to the proviso that the industry was able to build safe nuclear power stations to cost and on time, and assured the House that the Central Electricity Generating Board had taken on board the criticisms recently made by the Monopolies and Mergers Commission.

Mr Lawson said the rate of nuclear building through the 1990s was likely to be much faster than in the 1960s and the 1970s.

"But given the substantial margin of error attaching to long-term projects of this kind, it clearly makes no sense to adopt any rigid plan for programme."

Commons Sketch

Roistering stops for the cheeky chappie

MR NIGEL LAWSON must look back with nostalgia to those exhilarating days when he was the cheeky chappy of the Government's Treasury team, the champion of monetraism and the scourge of the Opposition.

As Energy Secretary, it is well nigh impossible for him to *maintain this roistering* reputation. Energy is definitely a subject which provides little buckle with which to swash.

This was apparent in the Commons yesterday, when MPs debated the nuclear power programme.

The central question was very simple: do new types of nuclear power station offer a safe and profitable form of supplying or do *we believe* the environmentalists who argue that these developments will poison us with radiation or blow us sky high?

Faced with this polarisation Mr Lawson and Mr Merlyn Rees, Labour's energy spokesman, did what politicians usually do when electoral popularity is at stake.

They hummed and hawed and took refuge in obfuscation. Mr Lawson's opening remarks sounded like one of those interminable articles in Pravda, outlining the triumphs of the latest power programmes in the Urals.

The UK had accumulated over 300 reactor years' experience of nuclear stations and 475bn kW hours of electricity had been generated.

There was also a veritable forest of initials in which the nimble politician could run for cover.

The previous government had said the CEGB should establish whether the PWR should be adopted as a safe alternative to the AGR.

The Commons energy committee, however, had suggested an indepth study of the Candu reactor.

But, intoned Mr Lawson, the *present Government was right* not to follow this suggestion "particularly after our experience of the SGHWR blind alley."

This all led to the unremarkable conclusion that the Government would have a flexible approach, keep long-term strategy under review, and authorise new nuclear power station orders "as and when we are satisfied that each is justified."

In the competition to produce the greatest number of confusing initials, Mr Rees quickly developed a clear lead.

He pointed out that the Sunday Times had carried an article suggesting that the RFX fusion project was more promising than Tokomak.

On the other hand, Mr Rees thought more attention might be *focused on JET.*

Apparently there had been "a lot of chit chat and gossip" about the NNC.

Shaking his head gravely Mr Rees observed that: "We will have to do something about it and do it very quickly."

Throughout this performance Mr Rees must have been uneasily aware of Mr Tony Benn, Labour's former Energy Secretary, sitting on the back benches waiting to speak.

Was Wedgie going to break the peace of Bishop's Stortford by delivering yet another wild contribution at variance with official Opposition policy? Certainly there was a strong difference of emphasis between his contribution and that of Mr Rees.

Brushing aside all technospeak Mr Benn made a short, forceful speech outlining in simple language what he saw as the dangers of new forms of nuclear power.

He advocated a policy which would virtually halt nuclear development in the UK — a scaled-down programme, no pressurised water reactor, no fast breeder, an absolute minimum of orders.

Whatever the merits of his argument one thing was clear. With such a persuasive opponent in the field the pro-nuclear lobby will have to find a spokesman who can speak the Queen's English.

John Hunt

Burmah may face 'test case' on Croda bid disclosures call

THE ARGUMENT between Burmah Oil and the white-collar Association of Scientific, Technical and Managerial Staffs (ASTMS) over disclosure of *information* about Burmah's takeover bid for Croda International threatens to grow into a legal battle which many trade unionists will regard as an important test case.

ASTMS maintains that the disclosure and consultation provisions of the Transfer of Undertakings (Protection of Employment) Regulations 1981, which came into force yesterday, give it the right to demand to know *more about* Burmah's intentions. Burmah denies that the provisions apply.

Mr Roger Lyons, ASTMS national officer, reaffirmed yesterday that his union would pursue the matter to an industrial tribunal, and *if* necessary to an injunction which he believe could hot up the bid, as a test case, if Burmah did not give satisfactory information.

"What we need are cast-iron guarantees of job security," he said. The union fears that Burmah may want to sell off parts of Croda.

Mr Lyons believes that a successful outcome could prevent many companies from going ahead with bids without consulting the unions.

ASTMS is broadening its approach by demanding information and consultation about Burmah's proposed divestment of its Quinton Hazell auto-components business. It may send a formal letter today demanding this.

It is also threatening to employ provisions of the Employment Protection Act 1975 and the Companies Act 1980 in its demand for information.

Brian Groom reports on ASTMS plea over new law

The Institute of Directors raised the temperature yesterday by accusing the Government of not heeding its warnings, made as long ago as August, that the legal consultation provisions could allow unions to halt rationalisation or merger proposals by taking out injunctions *on the grounds that consultation* had not taken place.

"Obviously ASTMS has an argument," it said, adding that its warnings had been vindicated within 24 hours of the regulations becoming effective.

The Department of Employment was unable to comment yesterday on a specific case, pointing out that only a tribunal could decide whether ASTMS had a case. But it was taking a notably cautious line about the likely effect of the regulations.

Mr Norman Tebbit, Employment Secretary, has told Mr Walter Goldsmith, director general of the Institute of Directors, that "the risk of injunctions being applied for and granted by a court is slight." He said the appropriate remedy was a complaint to an industrial tribunal under the Employment Protection Act.

Burmah, arguing that the transfer would be by share transfer, says that ASTMS's action is premature. The unions might have a right to be consulted later, after its bid had succeeded, if it proposed something which would affect their relations with their employer.

It argues that the demand for information is meaningless because it has no firm plans to divulge until its bid succeeds and it can have a closer look at the Croda business.

ASTMS, which has members in Burmah and Croda, and is seeking information from both companies, is calling a conference of Croda staff representatives for Friday.

It was suggested in some quarters yesterday that the disclosure provisions might not apply until a merger was decided.

Bid rejection, Page 17

Pym paints bleak picture of economy

By Elinor Goodman, Political Correspondent

MR FRANCIS PYM, the Leader of the House and the minister in charge of co-ordinating the Government's communications, *yesterday delivered a bleak* warning that Britain faces a prolonged period of unemployment and static living standards.

In a pessimistic speech which some Tory MPs may find overly frank, Mr Pym deliberately tried to dampen public expectations.

Whatever the Government did, he warned, there could be no question of a return to full employment or an early improvement in living standards. In the short term living standards would have to fall.

Nothing done so far by the Government to industry was anything like enough to cope with the scale of the problem caused by fundamental changes taking place in the economy. It was essential, he said, that the Tory party faced up to the consequences of these changes.

Prior 'advisory' Assembly plan put to Official Unionist leaders

BY OUR BELFAST CORRESPONDENT

MR JAMES PRIOR, the Northern Ireland Secretary, yesterday told the Official Unionist Party he was considering an elected assembly for the province to which powers would be devolved gradually as certain conditions were fulfilled.

OUP leader Mr James Molyneaux, MP for Antrim South, and other leading Official Unionists met Mr Prior at Stormont Castle, Belfast, in the latest round of discussions about transferring power back to local *politicians.*

The party said Mr Prior had in mind an elected assembly which would initially be given only advisory or consultative powers.

"He apparently envisaged that powers could be devolved after certain conditions had been fulfilled. One of these seemed to be a weighted or qualified vote," one Unionist said.

The Official Unionist statement confirmed that the party was sticking to the line adopted in the report of the Northern *Ireland Constitutional Convention* that adequate safeguards for the minority could be provided by representation on committees of an Assembly.

The party's interpretation of Mr Prior's thinking indicates that he wants a system of weighted majorities. This, it would appear from a meeting Mr Prior had on Friday, does not please the mainly Roman Catholic Social Democratic and Labour Party.

The SDLP wants a substantial Irish dimension to any proposal and has suggested a parliamentary tier and security powers for the inter-governmental Anglo-Irish Council.

Mr Prior is *gathering the* views of Ulster parties to his "rolling devolution" idea before outlining proposals to the Cabinet. Some idea of his problems came in the Unionist statement which said the interests of Northern Ireland people would be seriously damaged by introducing a system "which would *prove unworkable in practice.*"

Mr Michael Foot, the Labour leader, had a low-key round of meetings with political parties in Belfast yesterday. He said that the discussions were dominated by unemployment.

After meeting trade unions and employers he said it was impossible to exaggerate the concern he had heard over Northern Ireland's economic plight.

"Mass unemployment feeds the killing and feeds other social disease in Northern Ireland. Anyone who listened to the conversations we had today would understand that we must try to *solve the economic problem* first," he said.

Mr Molyneaux said he was not alarmed by the Labour Party's policy for Irish unity by consent because consent for unity would never exist in the province.

BL engine plant plan 'at risk'

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

BL's PLAN to make the Bathgate plant near Edinburgh its main truck-engine centre producing a joint-venture "world" diesel motor has been threatened by the strike at the plant, management said yesterday.

Mr Ian McKinnon, Leyland Trucks manufacturing director, called a press conference to assure the workforce the plant had a future in spite of the painful restructuring of production brought on by a near-halving in demand for trucks. He warned strikers against a "death wish" which could see Bathgate eventually closed.

Bathgate workers have called a strike and sit-in 11 days ago. They are protesting against Leyland's restructuring. This calls for 1,300 redundancies while Bathgate is developed as the plant to produce 70 per cent of all truck and bus engines as well as the centre producing the company's main export models, the Landtrain and Landmaster.

The sit-in ended on Friday when Leyland won a court order to reclaim the factory. About 8,500 workers at Leyland, and at Chorley, Lancs, also went on strike over the plan which calls for a company-wide shedding of 4,100 jobs.

Leyland is ending tractor production at Bathgate, selling off production equipment and transferring all truck-model production to the South except the two large export models. The plant has produced six models.

To encourage acceptance of the plan Leyland has been anxious to promote the new collaborative deal over engine production. Negotiations, however, were not yet complete although an announcement could come in the next six months, Mr McKinnon said.

Leyland is thought to be planning a collaborative venture with the U.S. Cummins engine company, which has a plant at nearby Shotts. The company uses Cummins engines for some trucks but Mr McKinnon refused to confirm a possible contract.

He said, however, the plan would see introduction of a world engine for use not only in British Leyland trucks and buses but for other industrial uses as well.

Under the plan the present 400 series of motors is to be phased out of production at Lancashire while the Bathgate plant increases turnover of a more versatile version of its 98 series engine, the 698 turbo-charge for medium-weight trucks.

EEC Commissioner says British withdrawal would damage West

BY JOHN WYLES IN BRUSSELS

A WARNING that UK withdrawal from the EEC would be "highly detrimental to the whole of the Western world" has been issued by the European Commission in a comprehensive response to the Labour Party's policy document urging an end to membership.

The Commission's views on a dozen of Labour's main points were made public in response to questions from two Conservative members of the European Parliament: Lord O'Hagan, who represents Devon, and Mr Robert Moreland, Staffordshire East.

Not surprisingly, the Commission's answers are more convincing on some issues than others. It fails, for example, to respond directly to the charge that the Common Agricultural Policy has allowed "rich farmers to get richer while poor *farmers (and farmworkers) got* poorer."

The Commission has after all produced a report recently confirming that the gap between agricultural incomes tended to widen in the seventies.

The warning about the damaging effects of withdrawal was given on behalf of the Commission by Viscount Etienne Davignon, the Industry Commissioner.

Referring to the well-known shift in Britain's export trade—by 1980 some 42.3 per cent of exports went to Community countries—M Davignon claims that the ratio between Britain's export and import of manufactured goods with the Community has not changed since accession in 1973.

"This is in marked contrast with the significant deterioration in the UK's manufactures export/import ratio with major markets elsewhere, he adds.

It is wrong to blame the Community for the unsatisfactory aspects of UK trade performance, *he writes.*

If British industry had been forced to surmount the common external tariff and other obstacles to trade with the Community since 1973 its performance could have been significantly worse.

Any country withdrawing from the EEC would have to restructure its trade pattern and this would be a painful process when world trade is expected to show only relatively modest growth in the years ahead.

An answer directed at a passage in the Labour Party document deriding the value of the grants and loans the UK has received from the Community, reveals that the EEC has provided £1.65bn in grants from the social and regional funds and from the steel community.

An additional £3.5bn has been issued as loans from the European Investment Bank, the coal and steel community and other funds.

If Britain withdrew, "the *settlement of the debts and the* payment of the claims involved would certainly raise very complex problems," the Commission says.

Warning over pre-Budget tax changes notice

By Max Wilkinson, Economics Correspondent

A PROVISIONAL announcement of tax changes before the Budget would cause more problems to industry than to the Government, the Treasury and Civil Service committee was told yesterday.

Mr C. Freedman, Commissioner for Customs and Excise, said officials could often make allowance for the fact that many people would go on a buying spree before the official date for a tax change.

The difficulty would be for tobacco and other companies which would have to work overtime to meet this extra demand, then perhaps have to lay off workers after the date of the tax increase.

He was commenting on proposals in the Armstrong Committee report on budgetary procedure for a provisional Budget in the late autumn.

TUC warns of big rise in industrial gas price

BY RAY DAFTER, ENERGY EDITOR

INDUSTRIALISTS WILL face a sharp increase in gas prices if the Government goes through with its proposals for *reorganising the State oil and* gas corporations, the Trades Union Congress warned yesterday.

Mr John Edmonds, national industrial officer of the General and Municipal Workers' Union, and a member of the TUC fuel and power industries committee, warned that industrial gas prices could soar by 60 per cent in the next two years.

Mr Nigel Lawson, Energy Secretary, told members of the committee that the government plans—embodied in the Oil and Gas (Enterprise) Bill—should lead to a reduction in prices.

This would arise from increased competition which would follow the ending of the British Gas Corporation's monopoly rights over supplies.

The contrasting price projections emerged at a meeting between Mr Lawson and members of the TUC committee. Mr Frank Chapple, committee chairman, said that industrial gas price increases would "set the pace" for higher domestic charges.

The union leaders claimed that oil companies, which would be allowed to sell gas direct to industrial users, would seek higher prices than those now charged by British Gas.

Oil companies had been "clamouring" for an increase in the price paid for their North Sea gas production, said Mr Chapple.

Mr Lawson argued that the new competition would force British Gas to pay more realistic prices for offshore supplies. This would stimulate greater exploration and production.

Mr Chapple said the TUC was opposed "root and branch" to the government proposals. These included breaking the gas corporation's monopoly powers, selling its assets and turning British National Oil Corporation's oil exploration and production business into a privatised company.

Mr Chapple said Mr Lawson had confirmed Financial Times reports that the entire board of BNOC was opposed to the splitting of the operational business from the trading activities. The trading arm of BNOC is to remain in state hands.

Fleet Street union votes for 5% deal

By John Lloyd, Labour Editor

FLEET STREET'S biggest union, the National Society of Operative Printers, Graphical and Media Personnel, has voted to accept a 5 per cent pay offer made last year by the Newspaper Publishers' Association.

Natsopa's acceptance, by 6,242 votes to 4,353, makes it more likely that the deal covering all the unions will now go through. The small craft union, the Society of Lithographic Artists, Designers and Engravers, has also accepted.

However, the Society of Graphical and Allied Trades, which organises Fleet Street's distribution and warehouse workers, has voted against the offer following an executive recommendation.

The main craft union, the National Graphical Association, has yet to complete its ballot.

While the unions negotiate jointly with the NPA on the offer, each union decides individually whether to accept it.

Members of Natsopa, the only union to inform the NPA of its acceptance, will now receive the 5 per cent rise backdated to January 1.

Sogat has sought fresh talks with the NPA on improving the offer. But it is highly unlikely any concessions will be made because of the knock-on effect on unions that have already settled.

The deal would give all 30,000 Fleet Street print workers—journalists are not included—5 per cent more on basic rates with a guaranteed minimum rise of £6.25 a week.

Tough talking ahead for the SDP

Peter Riddell, Political Editor, on the problems of the new party

THE LEADERS of the SDP always expected 1982 to be more *difficult than 1981.*

The party would at some time have to face some hard decisions, both in resolving the leadership question and in policymaking, and in relation to the Liberals. In the event, the ride has turned out to be quite bumpy and looks like remaining so for several weeks, if not months.

The trouble should not be exaggerated. The SDP/Liberal alliance is still intact and, judging by local election results, is still rolling forward.

But there are a number of obvious problems. These include:

● Discussions with the Liberals *over the allocation of parliamentary seats.*

Although talks are under way throughout the country, there is still considerable mutual suspicion and few deals have yet been concluded.

● Policymaking.

SDP leaders deny fundamental ideological disagreements, but there are clear differences in attitudes and on specific issues, notably industrial relations legislation, where MPs are divided about how far to court the unions.

Some of the leadership (for example, those associated with Mr Roy Jenkins and Mr Bill Rodgers) *do not see much* wrong with the Government's proposals in the Employment Bill; some might want to go further.

● The constitution.

The proposed constitution is to be discussed at a convention in Kensington on February 13 and 14. There will be a national ballot on whether the leader should be elected by MPs alone or by the membership as a whole.

Roy Jenkins: must return to parliament

Shirley Williams: great campaigner in the country

● The leadership.

Many of the tensions of these other matters have been reflected in the jockeying for position over who should be the parliamentary leader and who should be president.

The most clear-cut position is that of Mr Roy Jenkins. After his near miss at the Warrington by-election in July, he has appeared to have enhanced authority. He has been preparing assiduously for the Glasgow Hillhead by-election and has made no secret of his ambitions for the leadership.

He will probably win under whatever franchise is used since opinion polls show him a clear favourite among SDP members in the country. He will probably also win a large majority among MPs.

He is also the favourite of Mr David Steel, but he will have to return to the Commons to stand.

It had been understood *among the SDP leadership that* Mrs Shirley Williams would stand aside for Mr Jenkins and would take the post of president, in which she could use her talents as a nationally popular campaigner. This still appears likely, though she could come under pressure from those who regard Mr Jenkins as too Centrist.

Dr David Owen has made no secret of his interest in standing if Mrs Williams does not do so. He has taken a particularly robust stance in relation *to the Liberals, stressing the* need for the two parties to remain independent, and has argued that coalition politics is a continual process of bargaining.

While he may have a slim chance of winning the leadership this time he is significantly younger than his main rivals and his candidacy has been seen as a "marker" for future elections.

Mr Bill Rodgers is not normally regarded as a candidate in view of his close identification with Mr Jenkins. He has a high standing within the SDP parliamentary group. If there was a wide-ranging contest *he might join in,* though he would lag well behind the other contenders. He would almost certainly stand if Mr Jenkins failed to be elected at Hillhead.

Mr Rodgers, has argued many MPs and *rank-and-file members* would prefer to have no contest at this stage, leaving Mr Jenkins a free run as leader and Mrs Williams as president.

A big victory by Mr Jenkins at Hillhead would increase the pressures against a contest. If he fails to win, the SDP would not only suffer a major check to its recent political momentum but would also face a divisive internal contest.

The party's hope is still that by the end of March not only will Mr Jenkins have been returned to the Commons but that the constitution will have been finalised and agreement reached on the distribution of *most of* the parliamentary seats. There may also be a couple of Tory MP defectors.

It would be wrong at present to talk of public rows within the SDP. There is certainly sibling rivalry.

Amendment to sick pay Bill

Financial Times Reporter

AN IMPORTANT amendment to the Social Security and Housing Benefits Bill, which would exempt employers from paying national insurance surcharge *on statutory sick pay,* will be discussed today during the Bill's committee stage.

The amendment, which would leave intact provisions to raise £35m by requiring employers to pay national insurance on sick pay, but would abolish the £15m of revenue estimated on the surcharge, has the backing of seven Tories, including Mr Michael Grylls, Mr Richard Shepherd and Mr Keith Wickenden.

Tebbit opposes hours cut

BY CHRISTOPHER LORENZ, MANAGEMENT EDITOR

DEMANDS FOR a shorter working week amounted to "a call for lower productivity," Mr Norman Tebbit, the Employment Secretary, said yesterday.

He told a symposium of top European businessmen organised in Davos, Switzerland, by the European Management Forum that a shorter week would not resolve Britain's fundamental problem, which was "*a failure to create new* wealth, and therefore new jobs."

Asked whether a shorter week could benefit employment levels if it was financed by a reduction in pay for those working shorter hours, Mr Tebbit said: "Who would be the volunteers?"

BP in talks to avert Sullom Voe strike

FINANCIAL TIMES REPORTER

EFFORTS are being made today to avert a threatened strike by process workers at the Sullom Voe oil terminal in Shetland.

Talks at the site will involve the Transport and General Workers Union, BP—who *operate the terminal on behalf* of a 31-company consortium — and the conciliation service Acas.

The 180 men who control the flow of oil and gas within the terminal and loading of the tanker jetties are due to go on strike on Friday over their annual wage *claim.*

They have claimed a 15 per cent rise and BP have replied with an offer of 7.5 per cent.

The £1,200m terminal, built over six years, is currently handling about 800,000 barrels per day (one third of the UK's total production) from the Brent and Ninian pipeline systems. But it has a top capability of 1.4m bpd.

Last night union sources predicted a quick shut down of terminal operations. Recent bad weather led to a fall in the number of tankers taking on oil and a larger amount of storage space is in use than usual. This means there is less space to take in continued oilfield production.

If the predictions are correct then the strike would almost certainly cause major oil companies, whose fields are hooked into the Brent and Ninian systems, to review their production output.

BP declined to speculate last night on the likely effect.

TELEVISION

BBC 1

9.05 am For Schools, Colleges. 12.30 pm News After Noon. 1.00 Pebble Mill At One. 1.45 Bod. 2.00 You and Me. 2.15 For Schools, Colleges. 3.10 Tomos A Titw. 3.40 So You Want to Stop Smoking. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Secret Squirrel. 4.25 Jackanory. 4.40 Animal Magic. 5.05 John Craven's Newsround. 5.15 Grange Hill.

5.40 News.
6.00 Regional News Magazines.
6.25 Nationwide.
6.55 Bugs Bunny.
7.05 Doctor Who starring Peter Davison.
7.30 A Question of Sport.
8.00 Terry and June starring Terry Scott and June Whitfield.
8.30 Solo by Carla Lane starring Felicity Kendal.
9.00 News.
9.25 Play for Today: "Life After Death" by Rachel Billington with Dorothy Tutin.
10.40 Don Williams in Concert with guest Diane Pfeifer.
11.23 News Headlines.
11.25 American Attitudes: The political and economic status of the U.S.A.

Chris Dunkley: Tonight's Choice

Would you believe that birds sing in dialect? That the song of the Yorkshire blackbird is distinguishable from that of his brother in Surrey? I am obliged to believe those odd statements because they are made by David Attenborough, our most respected and, I suspect, best-liked wildlife broadcaster who tonight starts a huge new series on Radio 4 called Animal Language. It marks the 35th anniversary of the BBC's Natural History, consists of 26 half-hours, and starts at 7.50 with "Communication."

In "Play For Today" BBC-1 offers the second television drama from Rachel Billington, one of the leading lights of the Financial Times Books Page: Life After Death, which stars Dorothy Tutin as a woman whose husband has recently died.

Later BBC starts a short series called American Attitudes made by Newsweek producer Peter Ibbotson and interviewer Richard Kershaw, tonight talking to Washington journalist George Will.

On BBC Arena screens a profile of the Russian poet Osip Mandelstam who died in a Siberia prison camp; and ITV offers a 60-minute documentary called Test Tube Explosion on artificially-conceived babies.

BBC 2

11.00 am Play School.
3.55 pm Reflections Ireland.
4.15 A Year in the Life of Viscount Weymouth.
5.05 World Skiing Championships.
†5.40 Laurel and Hardy in "Below Zero."
6.00 The Waltons.
6.50 News Summary.
6.55 Australian Film Season: "The Picture Show Man" starring Rod Taylor.
8.30 Russell Harty.
9.00 Pot Black 82.
9.25 One Man and His Dog.
10.05 Arena.
10.50-11.40 Newsnight.

LONDON

9.35 am Schools Programmes. 12.00 Button Moon. 12.10 pm Let's Pretend. 12.30 The Sullivans. 1.00 News with Peter Sissons, and FT Index. 1.20 Thames News with Robin Houston. 1.30 Take the High Road. 2.00 After Noon Plus: Mavis Nicholson and Trevor Hyett are joined by Anthony Howard and Peregrine Worsthorne. 2.45 Born and Bred. 3.45 Welcome Back, Kotter. 4.15 Dangermouse. 4.20 Emu's World. 4.45 CB TV—Channel 14. 5.15 Emmerdale Farm.

5.45 News.
6.00 Thames News.
6.20 Help!
6.30 Crossroads.
6.55 Reporting London.
7.30 The Jim Davidson Show.
8.00 Don't Rock The Boat starring Nigel Davenport, Sheila White, John Price and David Janson.
8.30 Top of the World: The quiz that spans three continents.
9.00 Muck and Brass.
10.00 News at Ten.
10.30 Test-Tube Explosion.
11.30 Kaz.
12.25 am Close: Sit Up and Listen with Quentin Crisp.

† Indicates programme in black and white

All IBA Regions as London except at the following times:—

ANGLIA

12.30 pm Gardening Time. 1.20 Anglia News. 3.45 Does The Team Think? 6.00 About Anglia. 7.00 Bygones. 11.30 The New Avengers. 12.30 am A Bit of a Pantomime.

BORDER

1.20 pm Border News. 3.45 Does the Team Think? 5.15 Radio. 6.00 Lookaround Tuesday. 7.00 Emmerdale Farm. 11.30 News Summary.

CENTRAL

12.30 pm The Young Doctors. 1.20 Central News. 3.45 Does The Team Think? 5.15 Radio. 6.00 Crossroads. 6.25 Central News. 7.00 Emmerdale Farm. 11.30 Central News. 11.35 1982 Butlins' Grand Masters Darts Championship. 12.05 am Tuesday Jazz and Blues: The Dave Brubeck Quartet.

CHANNEL

12.30 pm Mr and Mrs. 1.20 Channel Lunchtime News, What's On Where and weather. 3.45 Square One. 5.20 Crossroads. 6.00 Channel Report. 6.30 Does the Team Think? 7.00 Private Benjamin. 10.28 Channel Late News. 11.30 Danger UXB. 12.30 am Commentaires et Previsions Meteorologiques.

GRAMPIAN

9.30 am First Thing. 12.30 pm Paint Along with Nancy. 1.20 North News. 3.45 Does the Team Think? 6.00 North Tonight. 7.00 The Two Of Us. 11.30 The Monte Carlo Show. 12.25 am North Headlines.

GRANADA

1.20 pm Granada Reports. 1.30 Exchange Flags. 2.00 Take the High Road. 2.30 Old Salts. 3.45 Does The Team Think? 5.15 Diff'rent Strokes. 6.00 This Is Your Right. 6.05 Crossroads. 6.30 Granada Reports. 7.00 Emmerdale Farm. 11.30 Ladies' Man. 12.00 Late Night From Two—live show which brings the latest in music, entertainment and news.

HTV

12.30 pm Paint Along with Nancy. 1.20 HTV News. 3.45 Does The Team Think? 5.10 Ask Oscar! 5.20 Crossroads. 6.00 HTV News. 6.30 Arthur of the Britons. 7.00 Emmerdale Farm. 10.28 HTV News. 11.30 The Amazing Years of Cinema.

HTV Cymru/Wales—As HTV West except: 9.35-9.50 am Am Gymru. 11.30-11.54 About Wales. 12.00-12.10 pm Y Llysiau Lion. 4.15-4.45 Camgam. 5.10-5.20 Mr Magoo. 6.00 Y Dydd. 6.15-6.30 Report Wales. 10.30 Pethau Prin. 11.15-12.15 am Test Tube Explosion.

SCOTTISH

12.30 pm Gardening Time. 1.20 Scottish News Headlines, road and weather report. 1.30 The Electric Theatre Show. 3.45 Does The Team Think 5.15 Tiddler's Tales. 5.20 Crossroads. 6.00 Scotland Today. 6.20 Job Spot. 6.30 What's Your Problem? 7.00 Take The High Road. 11.30 Late Call. 1.35 Ladies Man. 12.05 am 1982 Butlin's Grand Masters Darts.

TSW

12.30 pm Mr and Mrs. 1.20 TSW News Headlines. 3.45 Square One. 5.15 Gus Honeybun's Magic Birthdays. 5.20 Crossroads. 6.00 Today South West. 6.30 Does The Team Think? 7.00 Private Benjamin. 10.32 TSW Late News. 11.30 Danger UXB. 12.30 am Postscript. 12.35 South West weather and shipping forecast.

TVS

1.20 pm TVS News. 3.45 Does The Team Think? 5.15 Radio. 5.30 Coast to Coast. 6.00 Coast to Coast (cont.). 7.00 Emmerdale Farm. 11.30 Vegas. 12.30 am Company.

TYNE TEES

9.25 am The Good Word. 9.30 North East News. 1.20 pm North East News and Lookaround. 3.45 The Riordans. 5.15 Survival. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 10.30 North East News. 11.30 The Two Of Us. 12.00 That's The Way To Do It.

ULSTER

1.20 pm Lunchtime. 3.45 Does The Team Think? 4.13 Ulster News. 5.15 Radio. 5.30 Good Evening Ulster. 6.00 Good Evening Ulster. 7.00 Emmerdale Farm. 10.29 Ulster weather. 11.30 Bedtime.

YORKSHIRE

12.30 pm Does The Team Think? 1.20 Calendar News. 3.45 Calendar Tuesday. 5.15 Benson. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm. 11.30 Barney Miller.

RADIO

RADIO 1

(S) Stereophonic broadcast
‡Medium wave

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.30 Dave Lee Travis. 2.00 pm Paul Burnett. 3.30 Steve Wright. 5.00 Peter Powell. 7.00 Talkabout. 8.00 David Jensen. 10.00-12.00 John Peel (S).

RADIO 2

5.00 am Ray Moore (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.00 Gloria Hunniford (S). 2.00 Ed Stewart (S). 4.00 David Hamilton (S). 5.45 News; sport. 6.00 John Dunn (S). 8.00 The Golden Age of Hollywood (S). 9.00 Listen to the Band (S). 9.30 The Organist Entertains (S). 9.55 Sports Desk. 10.00 One Man's Variety. 11.00 Brian Matthew with Round Midnight. 1.00 Truckers' Hour (S). 2.00-5.00 You and the Night and the Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (cont.). 9.00 News. 9.05 This Week's Composers: Albinoni and Marcello (S). 9.50 Piano Duets (S). 10.30 Brahms chamber music recital (S). 11.10 Songs of Meadow, Brook and Sea (S). 11.50 Northern Sinfonia, part 1 (S). 1.00 pm News. 1.05 Six Continents. 1.25 Northern Sinfonia, part 2 (S). 2.15 Baroque Cantatas and Songs (S). 2.50 Music in a Historic Setting (S). 4.25 Jazz Today (S). 4.55 News. 5.00 Mainly for Pleasure (S). 7.00 Folk Tunes for Piano (S). 7.30 Royal Liverpool Philharmonic Orchestra Concert from the Philharmonic Hall, Liverpool, part 1: Haydn, Edward Cowie (S). 8.20 Lessons (short story). 8.40 Concert, part 2: Brahms (S). 9.30 Haydn's First Quartet (S). 10.05 Huntsman, Rest! Thy Chase Is Done (S). 11.00 News. 11.05-11.15 Jean Francaix (S).

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Tuesday Call (Energy Saving). 10.00 News. 10.02 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Thirty-Minute Theatre. 11.35 Wildlife. 12.00 News. 12.02 pm You and Yours. 12.27 Quote ... Unquote (S). 12.55 Weather, programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 A Pair of Blue Eyes by Thomas Hardy (S). 4.00 Pieces of Pilgrimage. 4.15 Children in Trouble. 4.45 Story Time. 5.00 PM: news magazine. 5.50 Shipping Forecast. 5.55 Weather, programme news. 6.00 News including Financial Report. 6.30 Never Too Late (S). 7.00 News. 7.05 The Archers. 7.20 Medicine Now. 7.50 Animal Language, narrated by David Attenborough (S). 8.20 A Memoir of Uncle Fred. 9.05 In Touch. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Legal, Decent, Honest and Truthful (S). 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

FT COMMERCIAL LAW REPORTS

Underwriter's evidence in non-disclosure plea

CTI INTERNATIONAL INCORPORATED AND ANOTHER v OCEANUS MUTUAL UNDERWRITING ASSOCIATION (BERMUDA) LIMITED

Queen's Bench Division (Commercial Court): Mr Justice Lloyd: January 22 1982

WHERE AN insurer seeks to establish that a policy is void due to the assured's non-disclosure of material facts, he must normally show that the mind of a prudent insurer would have been so affected by the undisclosed facts that he would have refused the risk or altered the premium; and it is never enough for him to show that the mind of the prudent insurer might have been affected.

Mr Justice Lloyd so held when giving judgment for the plaintiffs, CTI International Incorporated and Reliance Group Inc, lessors of containers, in their claim for payments under insurance policies taken out with the defendants, Oceanus Mutual Underwriting Association (Bermuda) Limited, a mutual insurance club.

* * *

Section 17 of the Marine Insurance Act 1906 provides: "A contract of marine insurance is a contract based on the utmost good faith, and, if the utmost good faith be not observed by either party, the contract may be avoided by the other party."

Section 18 provides: "(1) ... the assured must disclose to the insurer, before the contract is concluded, every material circumstance which is known to the assured ... (2) Every circumstance is material which would influence the judgment of a prudent insurer in fixing the premium, or determining whether he will take the risk."

*

HIS LORDSHIP said that the plaintiffs hired out containers for use in ocean transport. All lessees of containers had an obligation to return them at the expiry of the lease in first-class condition, normal wear and tear excepted. The plaintiffs' largest single problem was recurrent disagreement with their lessees as to responsibility for repairs. Accordingly, they devised plans whereby, for an additional charge, they agreed to bear the first $250 or $500 of any repair which would otherwise have been billed to the lessee.

Once the plans were introduced, the plaintiffs needed insurance up to $250 and $500 respectively, per container. At first the rates agreed with their insurers were based on the book values of the containers, with deductibles. The insurers charged a percentage of the monthly book values, and if a container was damaged, then, under the $250 plan for example, the underwriters would pay the first $150, the plaintiffs would pay the $100 deducted from the $250, and the lessee would pay the balance of the cost of repair.

The insurers were not happy with that system and changed the basis of rating. Instead of charging a percentage of the monthly book value, they charged a flat rate per container per day. They also quoted a nil deductible plan. Despite the increase in premium they became increasingly unhappy, and would continue only on terms which the plaintiffs found unacceptable.

The plaintiffs obtained fresh cover with Lloyd's at a nil deductible rate. The Lloyd's experience was no better than that of the original insurers and after six months they gave notice of cancellation to take effect from the anniversary date.

The plaintiffs then applied to the defendants, a mutual insurance club, for membership. Negotiations took place between the plaintiffs' broker and the defendants' underwriter. The broker showed the underwriter the figures for the Lloyd's cover, but he did not show him the figures for the previous period with the original insurers.

The defendants agreed to take over the expiring policy and to insure the plaintiffs directly, using a daily rate with deductibles. However, shortly after coming on risk they sent a telex to the plaintiffs reserving the right to avoid the policy ab initio and giving formal notice that they would not be renewing.

The plaintiffs demanded payment of their claims for previous months and commenced the present proceedings. The defendants denied liability and asserted that the policy was avoided on the ground, inter alia, that the plaintiffs, when negotiating the policy, had not disclosed material facts.

The underwriter said in evidence that it was material that he should have known the history of the matter and the rates charged by the original insurers. The fact that they had used a daily rate with deductibles would have been interesting because it would have shown that various deductibles had been tried, apparently without success. He thought that knowledge of that experience would have made him consider very carefully whether inserting deductibles into an expiring policy which had no deductibles would really have the required effect of making a profit.

Evidence of that kind was a very frail basis for a plea of non-disclosure. It must be recognised that section 18 of the Marine Insurance Act 1906 was an extremely powerful weapon placed by law in the hands of the insurer.

In general, underwriters ought only to succeed on a defence of non-disclosure if they could satisfy the court that a prudent insurer, if he had known the fact in question, would have declined the risk altogether or charged a higher premium. That should be the general rule, if only because the defence under section 18 was already capable of working such great hardship on the assured.

Take a case where the fact, but not its materiality, was known to the assured. Suppose that the prudent insurer, had he known the fact, would have accepted the risk, but would have charged a small additional premium. In other jurisdictions the assured could enforce the claim by tendering the additional premium; but not so in England. Why, if the insurer would have accepted the risk in any event, albeit at an increased premium, should he be able to avoid the claim altogether?

The fairness of the English rule was not obvious and hardly seemed to reflect the duty of good faith which was owed both ways under section 17 of the Act. Since English law was so favourable to the underwriter, the least that should normally be expected was that he should show that a prudent insurer would have charged an increased rate.

The weight of authority, such as it was, seemed to support the view that normally insurers must show that the result would have been affected, in the sense that the prudent insurer would have declined the risk or increased the premium. It was not normally enough to show that the judgment of the prudent insurer would have been affected, but that he would nevertheless have charged the same premium, unless it could be explained why; and it was never enough to show that the mind of the prudent insurer might have been affected.

The evidence in the present case was that with the additional information in front of him, the underwriter's approach to the problem might have been different to what it was. That evidence was insufficient to support an allegation of non-disclosure.

Judgment for the plaintiffs.

For the plaintiffs: Anthony Evans QC, Henry Brooke and David Railton (Berwin Leighton).

For the defendants: G. M. Waller QC, Michael Harvey and William Wood (Herbert Smith and Company).

By Rachel Davies
Barrister

RACING

BY DOMINIC WIGAN

RICHARD HEAD, whose outstanding chaser, Border Incident, is expected to return to the fray on Saturday, must be looking forward to the second half of the season with a good deal more enthusiasm than might have been the case before Christmas.

The Lambourn trainer seems hopeful that he has his injury plagued chaser on course for another tilt at the Gold Cup, while Uncle Bing, judged on Saturday's Tote Jackpot Chase, is in fine heart for his preparation for the Grand National.

Uncle Bing could hardly have run a better race for Peter Scudamore after a long lay off.

This afternoon at Leicester, Richard Head's stable can be expected to receive a small yet extremely welcome morale booster through Karaberry. Francombe's mount was a close fourth of 19 behind Chequers Girl at Nottingham on January 4 and had previously occupied the same position behind Low Quay at Plumpton.

Karaberry is a useful performer. He should be up to taking advantage of the 10 lb he receives from the Polish-bred Driving.

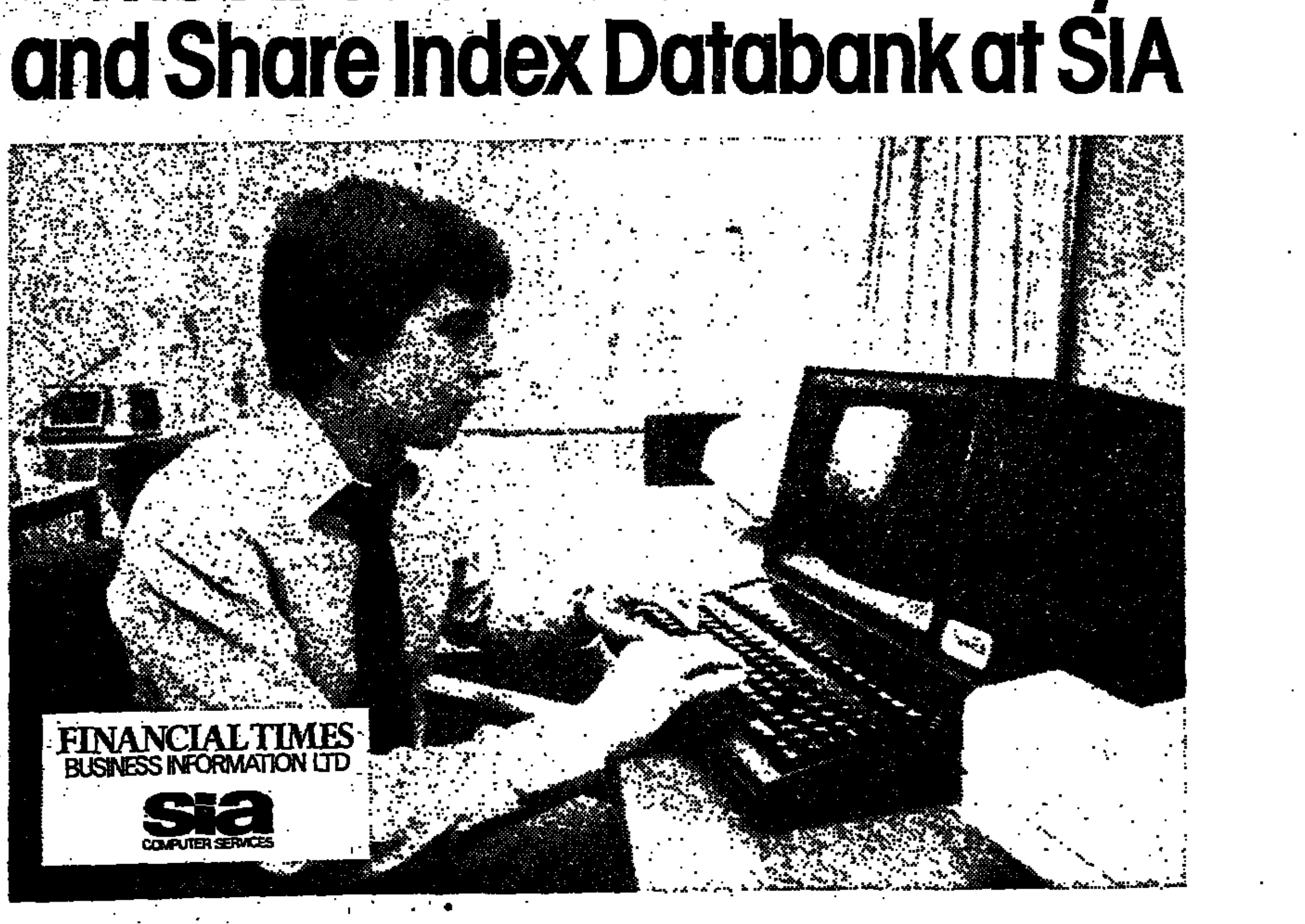
Two likely outsiders for whom a market move should be noted on the Midlands course are Dakar, among the runners for the Thurby Novices Chase, and Avogem, who goes for the Charnwood Hurdle half an hour later.

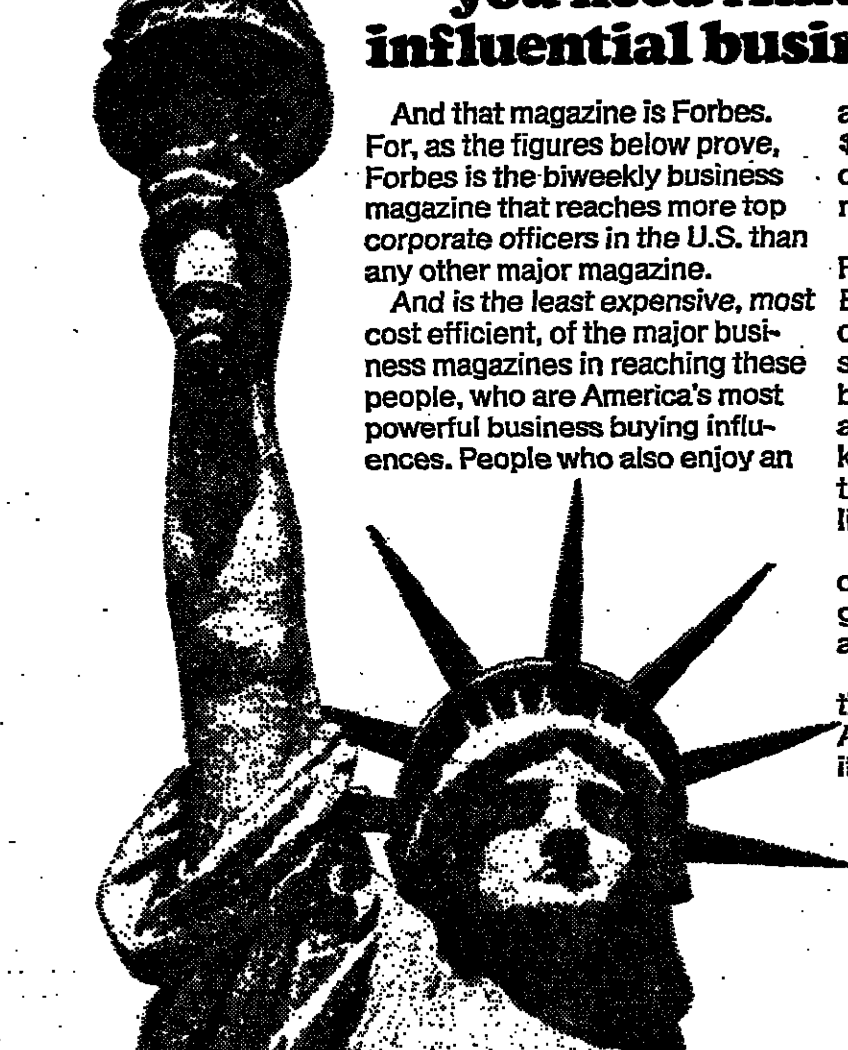
Goldspun lost his unbeaten record over the minor obstacles at Leicester yesterday when failing to cope with Dasman in the Golden Miller Pattern Hurdle.

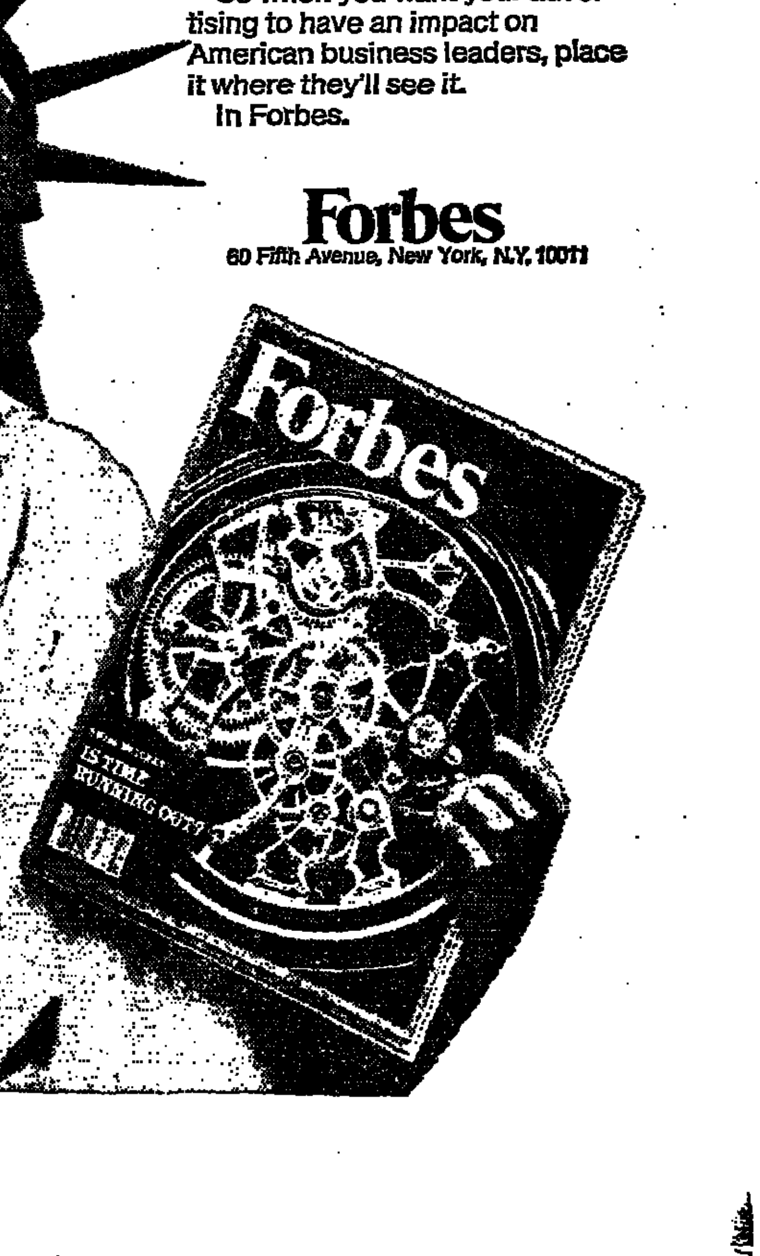
However, a good many experienced observers felt that he acquitted himself with reasonable distinction against the older animal and as a result his Daily Express Triumph Hurdle odds have not altered with most layers. Goldspun remains a 7-1 chance with William Hill, but is offered at a point longer by Ladbrokes.

LEICESTER
1.30—Karaberry***
3.00—Dakar*
3.30—Avogem**
4.00—Barrow

SEDGEFIELD
2.15—Big Ginger
3.45—Emerald Emperor







MANAGEMENT : Small Business

EDITED BY CHRISTOPHER LORENZ

THE NORTH EAST: BY TIM DICKSON

The volunteer corps that nurtures new enterprise

SUCCESSFUL businessmen and other individuals anxious to support the growing number of local initiatives in the UK to help small firms might care to look at the experience of Enterprise North.

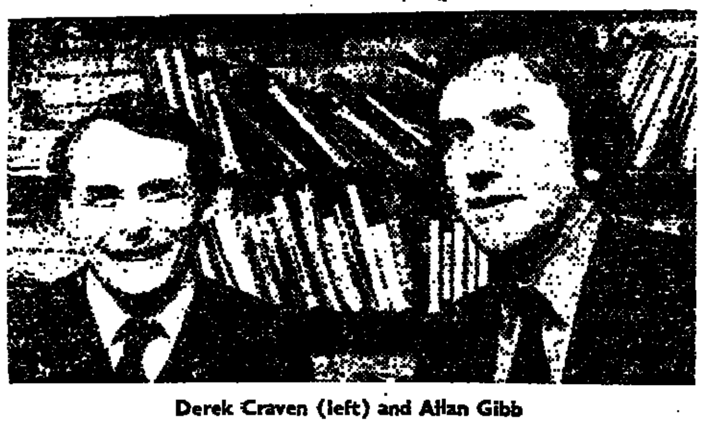
Conceived exactly 10 years ago this month—although its official birthday was not till October 1973—Enterprise North was the first of the 25 or so bodies now known as enterprise agencies. In its own way (for parallels with many of those more recently established are not appropriate) it has also been one of the most successful, not only as an independent entity but as a catalyst for other voluntary efforts in a region where creation of new business has been and still is sorely needed.

Enterprise North operates most conspicuously through 12 "New Enterprise" panels in the North-East of England, each of which consists of a team of counsellors ready to lend their experience and offer advice to budding entrepreneurs. The 40 or so counsellors come from all sorts of background—large and small industries, the educational, technical and marketing fields and the professions—and are chosen according to their motivation and ability to assist individuals with all the familiar start up problems, from finding premises to securing finance. As Derek Craven, EN's co-ordinator, points out, however, "We also feel it is just as important to stop some people taking the plunge."

Interviews are arranged via the small co-ordinating centre at Durham University Business School (DUBS), with entrepreneurs often being referred from elsewhere.

Enterprise North can best be described as a voluntary field force — counsellors get no remuneration, not even expenses—which in theory at any rate can be added to almost indefinitely.

Over the years it has dealt with literally hundreds of enquiries and more than 200 businesses now established in the region—including a newspaper, a sub-contract engineer, design specialist, waste recycler and electronics firm—have received help or advice from it.



Derek Craven (left) and Allan Gibb

Indeed, two early recipients of EN's services — Arthur Loughran, of Paul and Loughran, and Eric Judd, of Penshaw Engineering—have since become advisers themselves, on the Consett and Durham panels respectively.

EN's contribution to the small business sector in the North East, however, goes deeper than this. For example its association with DUBS, which provides the nerve centre for the operation, led in 1977 to the formation of the New Enterprise Development Project (NEDP). This is a joint public and private sector initiative, the primary aim of which is to back up work done by the Enterprise North panels.

Unlike most "enterprise agencies," which have been set up in response to the current recession and the enthusiasms for new business creation which has accompanied it, Enterprise North was originally established to tackle a longer term problem.

As Herbert Loebl, the successful businessman whose energy was the driving force behind the initiative, points out: "When Enterprise North was founded the oil crisis did not exist, there was no recession and unemployment was less than half its present size. Its object was to help increase the rate of new indigenous development at a time when the region depended largely on inward investment (with the help of Government regional policy, for example) and on the expansion of existing firms."

As Loebl points out the climate for enterprise in the North East at the time was not promising. "An industrial structure of few, heavy and interconnected industries does not produce the environment where continuous new economic activity occurs. While the branch factories on which the region has depended so much since 1945 have produced a good deal of employment they have not produced enough of the kind of entrepreneur which the region so badly needs. One reason is that branch factories are incomplete businesses, where little or no development is carried out and which usually do not do their own marketing or selling. The necessary skills for entrepreneurs are not therefore fully developed."

Vetting

This made an organisation like Enterprise North all the more vital in the North-East and also explains its heavy bias towards manufacturing (a preference, for example, not always shared by other enterprise agencies whose primary motive is often to create jobs or revive inner cities).

From the outset Enterprise North received support from the regional Department of Industry office, but its co-ordinating centre, effectively a postal and preliminary vetting facility, based at DUBS, was not set up until 1976. At roughly the same time Dr Allan Gibb, director of the Small Business Centre at Durham, was beginning to realise that even more voluntary energy (along Enterprise North lines) needed to be harnessed to tackle the problems of the North-East's "branch" economy.

With the help of £18,000 from the Department of Industry, boosted by contributions from ICI, Shell, the Rowntree Charitable Trust, Barclays Bank and the Manpower Services Commission, NEDP was therefore launched the following year.

Besides its back-up service for Enterprise North, NEDP's activities include the following:

Marriage Bureau: Enterprise North keeps a list of potential investors and tries to link them with companies needing finance.

Existing companies: Short courses; workshops; project based growth and individual company programmes.

New companies: Conferences, weekend courses, evening seminars for starters, four month "New Enterprise" programmes for budding entrepreneurs (two a year).

Management experience training: The aim of this is to provide a means for unemployed executives in the Northern Region to broaden their skills and opportunity to take in small and medium sized firms. One course a year is held, lasting three months.

Promotion: This includes the running of competitions. Another one is being planned following its involvement in the Shell UK-sponsored Build Your Own Business Competition in 1979.

Assistance conferences: The second of these is due to take place later this month and is a result of the work done with other agencies providing assistance in the region.

Enterprise North and NEDP are not, of course, the only initiatives in the Northern Region. The growth of many others, sponsored by both the public sector and private sources, has given some people cause for alarm, not least because of the confusion which it causes in the minds of those who are the target of all this goodwill.

The question of whether one of the job and enterprise-creation agencies in the region should co-ordinate the longer term task of supporting indigenous development is therefore very much a live issue.

MELVYN COLLETT is a classic victim of what academics call the North-East's "branch economy." Just over three years ago 43 year old Collett moved from London to take charge of a new factory in Washington New Town, Tyne and Wear.

It was owned and built by Watliff Company, part of the Delta Metal Group, which saw the North-East's abundant supply of skilled and semi-skilled labour providing an ideal opportunity to expand.

As events unfolded, of course, the timing could hardly have been worse. Sterling got steadily stronger, the recession tightened its grip and as demand fell away the tough decision was taken to rationalise manufacturing on one site. By the second half of 1980 Collett, who had turned down the offer of a move back south so as not to unsettle his family, was desperately looking for another job.

Collett emphasises that Delta did everything it could to help its workforce but what happened to him will be familiar to many senior executives faced with redundancy.

"It became obvious to me by the end of February 1981 that it was going to be extremely difficult to find another appointment. At the first interview there were perhaps 50 other people but things got visibly worse and I started coming up against 100 and then 150 others. It was quite frightening."

Collett's story is unusual because the decision to go it alone, and some of the preparations for his new life style, were actually made before he had thought of a product.

"When I couldn't find another job I started to wonder about my own ability. The one lesson I learnt was how dispiriting it is to be unemployed and not to have any real objective. Money was certainly not the motive because I had a decent handshake which, invested on the advice of my bank manager, was enough to last me and the family for at least a year. My wife was also working."

Collett marshalled all the thoughts he had had when working elsewhere but quickly realised that "starting your own business is a lot more than just doing your hobby."

"In my previous job there were specialists to look after the financial and legal side and it dawned on me that as a production man I knew nothing about this. I therefore began to look into the question of paying wages, how VAT works, and other services like insurance which a company requires."

Hugh Routledge

"There were 150 others competing for one job"

He also set his sights on something that did not require large amounts of capital and deliberately ruled out the fashionable area of high technology. ("I am not that way inclined").

In June last year he got what could prove to be the vital break. A friend rang him to say that his company was looking for supplies of air piping harnesses for use in the braking system on heavy goods vehicles and mechanical handling equipment.

Although familiar with this product he had not previously been involved with its manufacture but with the help of drawings supplied by the customer company he set to work on building a prototype. "I went and bought the materials to make one, took it to the prospective customer for checking and they gave me an order to make about 12. This was my big chance."

Help in the early stages came from a variety of sources — notably Durham City Council, which showed him a choice of possible premises, Sedgefield District Council, Lloyds Bank and Midland Bank (both offered money but in the end he only took their advice) and the Department of Industry which has offered a two year rent-free period. "If you have an idea it is amazing how many people want you to succeed. I can think of only two in the last year or so who have not been anything but positive."

Collett is under no illusions, however, about the task ahead. Orders for the air harness are still dependent on one customer and with demand already weaker at this stage than it was nine months ago he is well aware of the need to broaden his base. This he is desperately trying to do by offering his sub-contracting services to pneumatics and hydraulics manufacturers and diversifying into other piping assemblies, notably those needed by the domestic appliance market.

Having arrived in the North-East at a time when the Government's policy of attracting industry to the region seemed to be paying off and when confidence (by today's standards at any rate) was remarkably high, Collett is now at the crossroads. He is doing his best to take advantage of the encouragement now being given to those who go it alone, but the fact that he had little choice in this matter is not something the politicians always appreciate.

How entrepreneurs emerge

ARE entrepreneurs born or made?

A recent study into 52 businesses in the North of England helps to provide an answer to this question by exploring a variety of potential influences, notably upbringing, education and social class.

The report, carried out by researchers at Durham University Business School, is based on a sample of 1979 entries to the successful Shell UK Build Your Own Business competition.

Among the researchers' conclusions are that:

● A significant majority of the sample had family connections with small firms but this was an important influence in only a small number of cases.

● Educational background in itself was not detected as an important influence. Almost all of the participants, however, had some form of higher educational qualifications, most of which were not obtained through the full time university system. This often gave them the technical skill to develop their idea.

● Most in the sample had moved up the social scale before becoming self employed. Going into their own business—initially at any rate—tended to reduce their income and in their own eyes represented a step down the social ladder.

● Ideas about becoming an entrepreneur were mainly crystallised in adult job life. A substantial proportion of entrepreneurs came from senior and middle management positions in large firms.

● Over half the sample claimed they had their idea for at least five years before taking the final decision to implement it.

● Due to "unforeseen" problems the start up period was generally characterised by a high level of personal and family stress.

● Though finding finance was not a major problem with the group studied, "when an application was turned down by a bank this was sometimes seen as a condemnation of the validity of the project and therefore considerably demotivating to the would-be entrepreneur."

Problems with premises were exacerbated by strong preferences for working at home as long as possible.

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APPOINTMENTS

Changes at Redland

Mr J. D. R. Lyon

From March 28 Mr J. D. R. Lyon will succeed Mr C. R. Corness as managing director of REDLAND. Mr Corness will continue as chairman. Mr R. S. Napier, director of finance, is appointed to the board from the same date. From April 3, Mr G. White will be resigning from the board at his own request and retiring for health reasons.

★

Mr Wallace J. Mackenzie has been appointed a non-executive director of Finance for Industry and its principal subsidiaries, FFI (UK Finance), Finance Corporation for Industry and Industrial and Commercial Finance Corporation. He is managing director of Slough Estates.

★

Three appointments have been made by TARMAC CONSTRUCTION the holding company of the Tarmac Group's construction division. Mr Neville Simms has been appointed to the board. The other two appointments are Mr John Cox and Mr Geraint S. Jones, who are already directors of Tarmac Construction. Mr Cox has been appointed chairman of Tarmac National Construction and Mr Jones succeeds him as managing director of Tarmac National Construction.

★

GKN MILLS BUILDING SERVICES has made the following appointments: Mr Mike Ormiston is appointed deputy managing director. He was director and general manager of the company's contract services division. He is succeeded as director and general manager of the contract services division by Mr Granville Ainley, who was the division's south east regional manager.

★

Following the formation of the Fenner Group's new industrial distribution division, Mr G. J. Powell has been appointed chairman of FENNER SALES AND SERVICE and Mr M. Walker has been appointed as the company's managing director. Mr W. J. Lowry, Mr G. W. Officer, Mr K. Reynolds, Mr R. A. Story and Mr R. E. Wood have been appointed to the board.

★

Mr John S. Harris, Mr John C. C. Pilley and Mr Richard W. Smith have been appointed directors of HENDERSON UNIT TRUST MANAGEMENT unit trust arm of investment managers Henderson Administration.

★

The NOLTON GROUP has made the following appointments: Mr B. C. Newman is appointed deputy chairman and Mr L. T. B. King, director, is appointed chief operating officer. Mr C. L. Lawson and Mr D. Cottrell are appointed directors and operating officers.

★

Sir Campbell Fraser executive chairman of Dunlop Holdings, has been appointed a non-executive director of THE CHARTERHOUSE GROUP.

★

P. I. CASTINGS GROUP has appointed Mr Stephen L. Finch as a director and as chairman-elect. Mr Finch will succeed Mr J. F. B. Jackson, the chairman and founder of the Group, when he retires as chairman in May.

★

MR D. A. RAVENSCROFT has joined the board of BULL, HOLMES (MANAGEMENT) with special responsibility for the company's new Manchester office.

★

Mr Frank Scanlon, has been appointed managing director of MORRITT HOMES, the housing division of the Morritt Group.

★

The Housing Minister has appointed Mr W. T. Courtney, joint deputy chairman of Marley, as chairman of the COUNCIL OF THE AGREEMENT BOARD. He succeeds Mr Frank Gibb, joint managing director of Taylor Woodrow, who has resigned as chairman of the board because of the pressure of his other commitments. Mr A. C. Paterson, has been elected to the Council.

★

British Railways Board has appointed Mr Bryan Driver, deputy general manager of British Rail Eastern Region, as managing director, FREIGHTLINERS. He succeeds Mr Cyril Bleasdale, who has been appointed director, Inter-City at BR Headquarters.

★

THE NFU MUTUAL AND AVON INSURANCE have appointed Mr Metford A. Jeanes a general director of both companies in place of the late Mr R. Cary, from January 21.

Mr Neville Mason has become sales director of UNI-TUBES. He succeeds Mr Jim Richardson who, although retiring, will remain as a consultant.

★

MARINEX PETROLEUM has appointed Mr Gordon Coventry as financial controller and company secretary. Mr Coventry joins Marinex from the British National Oil Corporation where he was manager finance and administration for Beatrice Field Development.

★

Mr Patrick Moorsom will be joining the board of CAYZER LIMITED as managing director on February 1 on relinquishing his position as a Sous-directeur of Banque de Paris et des Pays-Bas. Cayzer Limited is a banking services subsidiary of Cayzer Gartmore, whose ultimate parent company is the British and Commonwealth Shipping Company. Mr Moorsom will also be joining the board of Cayzer Gartmore, and Cayzer Gartmore Investments.

★

Mr Cecil J. Baker and Mr Michael I. Gee have been appointed directors of UNITED REAL PROPERTY TRUST.

★

J. OSAWA AND CO (UK) has appointed Mr Richard H. Fest as managing director of its UK operation.

★

Mr John H. Bushell, a director of J. HENRY SCHRODER WAGG AND CO, has been appointed a non-executive director.

★

Mr C. M. Keville has been appointed a director of C. T. BOWRING AND CO (INSURANCE).

★

Admiral of The Fleet, Lord Hill-Norton, has joined the boards of SCRIMGEOUR, KEMP-GEE ASSET MANAGEMENT and PARTRIDGE MUIR AND WARREN.

★

The merger between Torday and Lockwood and Carlisle has been completed to form TORDAY AND CARLISLE. The directors are as follows: Mr R. H. Burnett-Hall, Mr J. H. Carlisle, Mr J. M. Carlisle, Dr L. Torday (chairman), Mr G. Proctor (secretary), Mr D. J. Bray, Mr J. Torday, Mr P. L. Torday. At the first meeting of Torday and Carlisle, it was decided that the company's joint venture marine reconditioning and trading activities should be grouped under a management and holding company which will be known as DIESEL MARINE INTERNATIONAL. The directors of this company are: Mr J. M. Carlisle (chairman), Mr H. R. Odd (managing), Mr Bray, Mr E. H. Mulder (Dutch), Mr R. Jacobsen (Norwegian), Mr Proctor, and Dr Torday.

PUBLIC NOTICES

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For the six months from 27th January, 1982 to 27th July, 1982 the interest rate on the above Stock will be £15.5250% per annum.

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£5,000,000 Bills issued on 2.2.82 at a rate of 13½% to mature 4.5.82. Total applications were £22,000,000 and there are £5,000,000 Bills outstanding.

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£5,000,000 Bills issued on 2.2.82 at a rate of 13½% to mature on 4.5.82. Total applications were £43,000,000 and there are £15,000,000 Bills outstanding.

CLWYD COUNTY COUNCIL
£2m Bills issued today due 4.5.82 at 13½% p.a. Total applications £12m. Outstanding £10m.

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American Express Bk.	14 %	Grindlays Bank	‡14 %
Amro Bank	14 %	■ Guinness Mahon	14 %
Henry Ansbacher	14 %	■ Hambros Bank	14 %
■ Arbuthnot Latham	14 %	Heritable & Gen. Trust	14 %
Associates Cap. Corp.	15 %	■ Hill Samuel	§14 %
Banco de Bilbao	14 %	C. Hoare & Co.	†14 %
BCCI	14 %	Hongkong & Shanghai	14 %
Bank Hapoalim BM	14 %	Knowsley & Co. Ltd.	14½%
Bank Leumi (UK) plc	14 %	Lloyds Bank	14 %
Bank of Cyprus	14 %	Mallinhall Limited	14 %
Bank Street Sec. Ltd.	15½%	Edward Manson & Co.	15 %
Bank of N.S.W.	14 %	Midland Bank	14 %
Banque Belge Ltd.	14½%	■ Samuel Montagu	14 %
Banque du Rhone et de la Tamise S.A.	14½%	■ Morgan Grenfell	14 %
Barclays Bank	14 %	National Westminster	14 %
Beneficial Trust Ltd.	15 %	Norwich General Trust	14 %
Bremar Holdings Ltd.	15 %	P. S. Refson & Co.	14 %
Bristol & West Invest.	15 %	Roxburghe Guarantee	15 %
Brit. Bank of Mid. East	14 %	E. S. Schwab	14 %
■ Brown Shipley	14½%	Slavenburg's Bank	14 %
Canada Perm't Trust	15½%	Standard Chartered	‖14 %
Castle Court Trust Ltd.	14½%	Trade Dev. Bank	14 %
Cavendish G'ty T'st Ltd.	15½%	Trustee Savings Bank	14 %
Cayzer Ltd.	14½%	TCB Ltd.	14 %
Cedar Holdings	14 %	United Bank of Kuwait	14 %
■ Charterhouse Japhet	14½%	Whiteaway Laidlaw	14½%
Choulartons	14½%	Williams & Glyn's	14 %
Citibank Savings	¶15½%	Wintrust Secs. Ltd.	14 %
Clydesdale Bank	14 %	Yorkshire Bank	14 %
C. E. Coates	14½%		
Consolidated Credits	14½%		
Co-operative Bank	*14 %		
Corinthian Secs.	14 %		
The Cyprus Popular Bk.	14 %		
Duncan Lawrie	14 %		
Eagil Trust	14 %		
E.T. Trust	14½%		
Exeter Trust Ltd.	15 %		
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■ Members of the Accepting Houses Committee.
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† 7-day deposits on sums of under £10,000 11½%, £10,000 up to £50,000 12½%, £50,000 and over 13%.
‡ Call deposits £1,000 and over 11½%.
§ 21-day deposits over £1,000 13%.
‖ Demand deposits 12%.
¶ Mortgage base rate.

THE ARTS

Today the jury of the 1981 FT Industrial Architecture Award will announce . . . that it is not making an award this year. Colin Amery, organiser of the Award, explains why.

Architecture at work

Today at a press conference at the Royal Institute of British Architects the Chairman of the *Financial Times* will announce the results of the 1981 Financial Times Industrial Architecture Award. The jury has spent a considerable time travelling around the country looking at a short list of buildings selected from the total of 67 entries. The two architect assessors were Richard Burton of Ahrends, Burton and Koralek and Michael Hopkins the winner of the award for 1980. They were assisted by Sir Charles Troughton the chairman of the British Council — a lay assessor appointed by the Financial Times. This year, for the first time, the jury has decided not to make an award. They did, however, agree that four of the entries should be "highly commended."

The award was established in 1967 to encourage excellence in the design of buildings and structures erected for industry. The need for such an award had grown out of the spread of industrial sprawl around our cities, particularly in the years immediately after the war. It was also made necessary by the physical condition of much of the building stock that survived in a country that created the industrial revolution. Many large businesses were still operating in the 1950's in premises that Dickens would have condemned as little better than the proverbial blacking factory. A leading article in the F.T. in March 1967 expressed the concern of the paper for buildings in industry to provide more than *just serviceable space*. "The architect and engineer have a duty to provide buildings that satisfy both functionally and visually."

For the last 15 years the winning buildings have always been of such a high standard that the Award has had a real and potent influence on the quality of the industrial environment. The importance of the Award is also due to the fact that it is given by a non-architectural body that is closer to those likely to be commissioning buildings than to the designers. So many awards give the impression of the architectural profession slapping its own members on the back.

High standards are what the Financial Times Award has come to represent and this year the absence of a winner prompts the question, why no Award? The assessors felt that many of the buildings on the short list just failed to be outstanding. None of them reached the level of innovation that the winners had invariably shown in previous years. The range of entries was very wide, from a North Sea oil platform accommodation module to a small factory making valves for aerosols. The jury were looking for excellence — a quality that is both rare and hard to sustain.

The four schemes that have all received equal commendation this year demonstrate the good general level of industrial architecture. The four are:

1—Blakelands North 1, advanced factory units in Milton Keynes. Designer: Milton Keynes Development Corporation — Building Directorate. Client: Milton Keynes Development Corporation.

2—Installation Support Centre and UK Distribution Centre for IBM (UK) Limited at Greenford Green, Middlesex. Designer: Foster Associates, Architects and Service Engineers. Client: IBM (UK) Limited.

3—The McKay Trading Estate, Kensal Road, London, W.10. Designer: John Outram, Architect. Client: McKay Securities Group Limited.

4—The River Hull Tidal Surge Barrier at Kingston-upon-Hull, North Humberside.

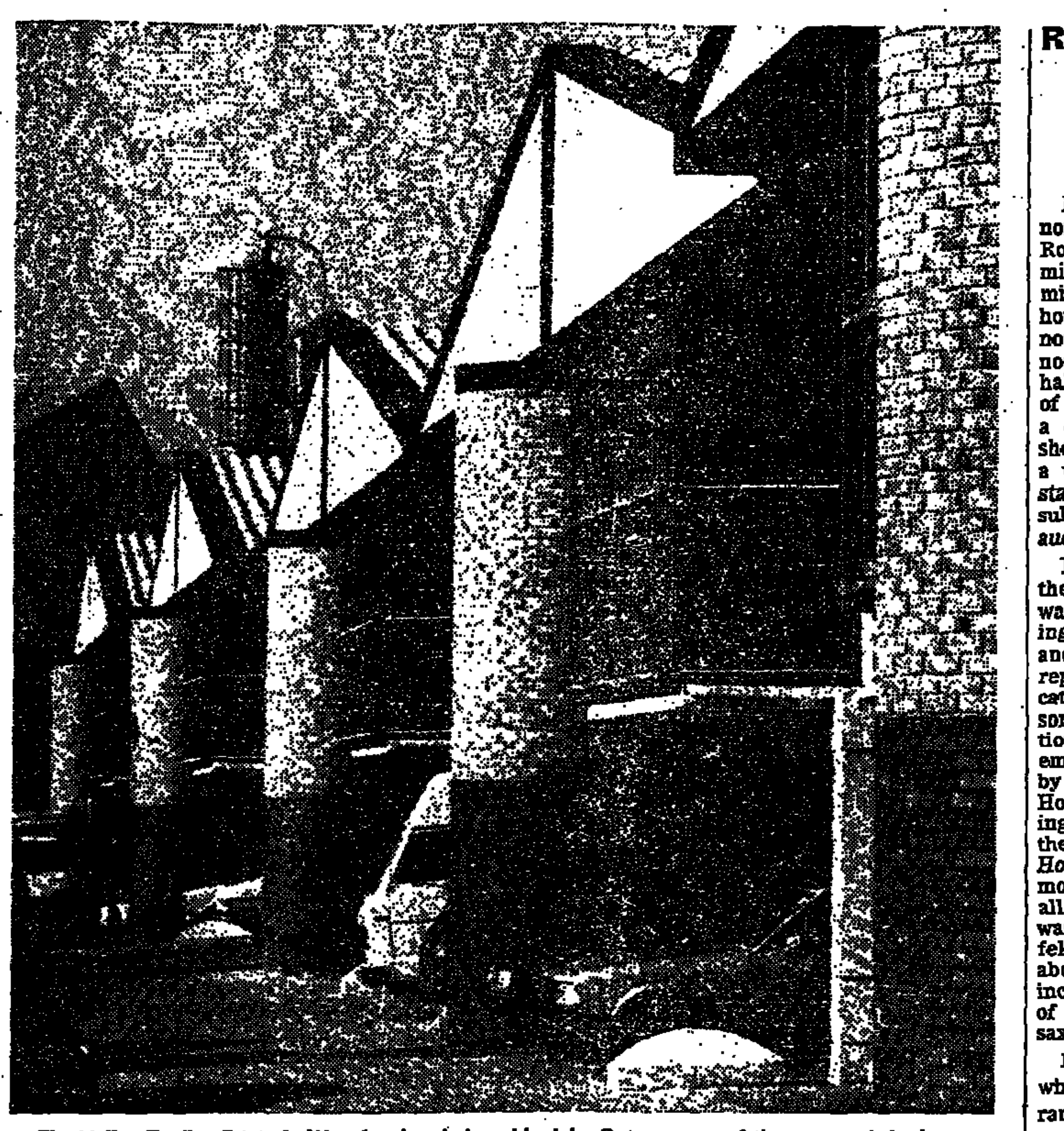
Designers—Sir Murdoch MacDonald and Partners, Consulting Engineers Shankland Cox Partnership Architects.

Client — Yorkshire Water Authority, Rivers Division.

Milton Keynes has a good reputation for the high standard of its factory design and these multi-purpose factory units at Blakelands North near the M.1 motorway were particularly praised by the assessors for their handsome and well finished appearance and for the very high standard of the landscaping. Too often landscaping is just an excuse for a few concrete basins of dried out conifers—here the planting and the expensive hard landscape will improve as time passes and greatly enhance the surroundings. The steel and glass construction is simple and elegant and there is a good use of colour on the facades.

IBM at Greenford Green with their architect Norman Foster maintain their high standard of design. This building is for the distribution of parts and machines to the whole of the UK and is sited at Greenford in Middlesex because of the proximity to the airport at Heathrow. The assessors were impressed by the speed and efficiency of construction of this first building of what will be a Technical Park. Clarity of design showed in a way that demonstrated the architects complete mastery of a well presented brief. This building was seen as a model client/architect collaboration and as a demonstration of the successful acknowledgement of the purposes of good design by a major company.

The McKay Trading Estate was selected by the assessors for different reasons than the other commendations. It was particularly liked for the contribution that the buildings made to the city. John Outram's success in a dull part of west London by the canal is to have turned a terrace of small industrial units into a building that has individuality for each tenant as well as a sense of participating in the street and the city as a whole. The client, McKay Securities Group, are to be particularly congratulated because they have, while investing in industrial units as developers, encouraged a most effective architectural involvement that has raised environmental standards.



The McKay Trading Estate in West London designed by John Outram—one of the commended schemes

The River Hull Tidal Surge Barrier was designed to prevent dangerously high Humber waters from entering the River Hull and flooding the city. The suspended flood gate is situated close to the centre of Hull and the assessors felt that a utilitarian structure has most successfully been turned into a landmark that added to the city-scape. The white cement towers and the dark green steel of the bridge and staircase are effective visually by day and night. The generally successful "maritime" landscaping was also praised. A high level of bravura lifts what might be a simple utilitarian design into an exciting addition to the city of Hull.

The editor of the Financial Times will announce today that the Industrial Architecture Award is to be changed and improved for 1982 and the years ahead. It has long been felt that the high level of design that has been encouraged by the past 15 years of the award should be felt more widely in places where people work.

A new award is to be made that will widen the scope of the existing scheme and, for the first time, include offices. It is to be known as the *Financial Times Architecture at Work Award* and with the encouragement of the RIBA it is hoped that it will continue to act as an improving influence on the industrial and commercial environment. Full details are available from the FT and it is particularly hoped that clients as well as architects will submit buildings for consideration. The award is confined to buildings erected in the United Kingdom and completed during the two years ending on December 31 1981. The new *Architecture at Work Award* will be presented in December 1982. Applications must be made on the standard nomination form obtainable from The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY — envelopes to be marked Architecture At Work Award. The closing date is May 4 1982.

An exhibition of Financial Times Industrial Architecture Awards 1967-81 will be at the RIBA, 66 Portland Place, London, W1 from February 9-16.

Opera in Rome

by WILLIAM WEAVER

The Teatro dell'Opera in Rome opened its season with a deservedly successful revival of Donizetti's *Fausta*, and published a programme that promises other treats (including the Malipiero-Pirandello *Favola del figlio cambiato*, a work of the 1930's frequently discussed but never heard). The orchestra, in the opening production, sounded good; the chorus is improving, though it still needs more assertiveness, more vigour. And, also important, the house is regularly sold out. Under the management of Roman Vlad and the artistic direction of Gioacchino Lanza Tomasi, imagination has returned to the house, and the public has followed.

In recent years, the rediscovery of Donizetti has become a regular ingredient of every season. Sometimes the recovered works are prizes; and even when they are not entirely convincing (as in *Maria de Rudenz*, offered two seasons ago by the Fenice in Venice), the works are never less than enjoyable. In the case of *Fausta*, however, I would say that its "riesumazione" is a major event. It is a noble, impressive opera, rich, as you would expect, in good tunes, but also in two strongly-defined characters placed in an effectively made libretto by Domenico Gilardoni (and, it seems, also by Donizetti himself, who completed it after Gilardoni's death).

Basically, it is the Phaedra story, set in 4th century Rome. Obviously, classical settings inspired Donizetti, and the sober elegance, the mixture of passion and restraint that mark *Belisario* and *Poliuto* (and its French re-making, *Les Martyrs*) are also the distinguished features of *Fausta*. The unfortunately enamoured empress, vindictive and remorseful, is larger than life-size, but warmly vital. Her puzzled husband, Costantino, is also a loving father, and his thwarted affections sometimes suggest the older Foscari in Verdi's later opera. If Crispo—the Hyppolytus of the situation—is less rewarding as a character, his youth and sincerity make him a positive, engagingly limpid figure in the drama. And even the minor roles have some distinction.

As Fausta, Raina Kabaivanska looked wonderful: stately but ravaged, her face pale with insomnia and frustration, her gestures at once nervous and commanding. She is always a knowledgeable singer, and though her voice in itself is not particularly beautiful (and, at moments, betrayed evidence of wear), she uses it with admirable skill and expressiveness. In her solo scenes — notably in the moving Prayer of the finale — she was lyrical, almost fragile; in the duets, including the terrible confrontation with Crispo, she exploited the full value of both text and music. She knows how to shape recitative, an accomplishment that seems to grow more rare all the time.

Renato Bruson is the ideal Donizetti baritone, capable of sustaining the long cantabile line and of mustering dramatic force without lapsing into verismo vehemence. His *Costantino* was, in a word, magnificent: a regal yet vulnerable emperor, a hero torn between state responsibilities and private torments. As Crispo, the tenor Giuseppe Giacomini produced some good, ringing sounds, but he occasionally succumbed to the temptation to sob or shout: in short, he was often a tenor and seldom a Roman general. Luigi Roni was a suitably sinister Massimiano, the basso villain; and the smaller roles were well cast.

The set, by Giovanni Agostinucci, was a success in its own right. A dozen steps led to a shallow platform, where much of the action was played, then more steps rose to another platform with a grand Roman arch of triumph: all this in cream and gold. At times the arch could be filled with statuary, or disappear altogether; panels could rise and descend, partitioning the stage variously and rapidly. But the use of steps has advantages and disadvantages. It makes the scene more vertical, true and thus more visible to many in the audience; but steps are a trap for unskilled actors, who must look at their feet instead of their interlocutors. Kabaivanska, a gifted actress, managed to faint up-hill, as it were, and look splendid, her long train effortlessly falling in graceful folds. But Giacomini, wooden and ill-at-ease seemed always on the point of stumbling. Thus some beautiful stage pictures came at the price of some awkward moments. Still, this was a handsome spectacle, enhanced by Giuseppe Crisolini's costumes, sumptuous without a hint of excess or vulgarity.

Sandro Sequi staged the work tactfully and incisively, giving full rein to the gifts of Kabaivanska, encouraging Bruson to move nobly, and—as far as possible—making Giacomini stand still (though it seems impossible to suppress his favourite, repeated gesture, a clumsy, side-chop of the hand). The lighting was also commendable: for the first time in a month of opera-going I was actually able to see the singers' faces as they sang.

When first given, at the Teatro San Carlo, Naples, in 1832, *Fausta* was a reasonable success; and it was soon repeated in other Italian and foreign houses, though not always so successfully. As was the custom, the score underwent alterations: scenes were dropped or replaced by similar scenes from previous Donizetti works and, in a couple of instances, Donizetti added new music. In preparing the score for this revival, the musicologist Saverio Durante decided to include all of Donizetti's music. In some respects a welcome decision, since none of the score had been heard previously (the last performance until now, a fiasco, was at La Scala in 1859); but the result was a very long evening, the first act lasting close to two hours, and the second well over an hour.

The production was prepared by Daniel Oren, permanent conductor of the Rome Opera, who conducted the first performances; at the performance I attended, because of Oren's indisposition, the prompter Alberto Leone took over. Except for some slack rhythms here and there, he did a creditable job, allowing the beauty of the music to glow and move.

Ronnie Scott's

Chris Connor

From the outset Chris Connor's appearance on Friday at Ronnie Scott's was dogged by misfortune. With her surname misspelt twice in front-of-the-house advertising (and mispronounced by her unseen announcer), she had to battle for half her first set with the sort of sound problems (including a dead microphone) no singer should have to contend with in a venue of this reputation and standing. (Manager Pete King subsequently apologised to the audience for the mess.)

It's sad to report, though, that the main failure of the evening was Chris Connor herself. Making her club début in Britain and with a large and deserved reputation as a hip, sophisticated interpreter of quality songs, her delivery and projection were uninvolved and unemotional. She erred heavily by including two of Billie Holiday's most poignant recordings, inadequately conveying their powerful feeling. And Hoagy Carmichael's cute "Baltimore Oriole" was deprived of all its whimsical charm. She was more successful in the felicitously titled ballad "All about Ronnie"—which was not, incidentally, written in honour of a famous British tenor-saxophonist and club-owner!

In most of her selections, which inevitably covered a wide range of American composers up to Laura Nyro, Miss Connor never expressed belief in the lyrics which were delivered mechanically. Rarely did she embellish a tune sufficiently skilfully, or with jazz-inspired dexterity to compensate for this untypical attitude towards the words. Additionally that distinctive timbre, which has been one of her most compelling attributes from her early days, about 30 years ago with the Claude Thornhill and Stan Kenton bands, seems to have diminished drastically.

Insecurity in the voice showed most glaringly in the slower numbers. In the faster tempi she was more convincing and at times took off swingingly and excitingly, though her exhilarating version of "I feel a song coming on" was a peculiar choice with which to end her first set.

Maybe Miss Connor was disturbed by the initial sound troubles. Or maybe she is missing her regular rhythm section. But it must be firmly emphasised that her backing trio on Friday, diligently led by pianist Pat Smythe, could not be blamed for the shortcomings in what, alas, must be considered as one of the most disappointing evenings at Scott's for many years.

KEVIN HENRIQUES

Eugene O'Neill, Broadway

Little Me

With Neil Simon's Eugene O'Neill Theatre dark, it seemed suspiciously convenient to have the revival of his 1962 musical, *Little Me*, to bring in some business. All the more surprising, then, is the panache, cleverness and perfect appropriateness of the show in its new incarnation. The rewriting has not been obtrusive or self-consciously updated. It rearranges characters so that the nonstop burden of Sid Caesar's original roles as both the hero and heavy have now been divided between an older, portly James Coco as the malevolent antagonist and Victor Garber as the young paramour.

There is still plenty of work for both of them, since the farcical story recounts the adventures of buxom Belle Poitrine (nee Schlumpfort), who falls in love with rich and brilliant Noble Eggleston. Because of his mother's disapproval of this "riffraff" from the other side of the tracks, Belle jockeys her home-grown wares from modest Twin Jugs, Illinois into the hearts and beds of the men able to give her social position, wealth, culture, and, ultimately, Mrs Eggleston's approval.

Though the show was originally seen in the heyday of the liberal Kennedys, it fits the Reagan '80s, where, as Belle's adventures show, titles, money and a Hollywood career are the ultimate of anybody's ambition. Jessica James is a perfect Belle gone to seed, but able to tell her story with a touch of savvy. Mary Gordon Murray is buxom enough for the young Belle, but not the match of the rest of the zesty cast.

Best of all, the songs are perfectly fitted to the non-stop gags of the scenes. It is easy to laugh out loud when a charming ballad has the Carolyn Leigh lyric, "I love you, as much as I am able/Considering you're riffraff, and I am well to do." Cy Coleman never wrote better music, which is so emphatic and danceable that the one obtrusive contemporary touch is the tinny sound of artificial miking echoing against the choreographed singing. Tony Walton's lush costumes and cartoon-like sets are an amusing accompaniment to Robert Drivas's direction of a musical that might have originally been a vehicle for that funny man, Sid Caesar, but certainly and delightfully stands on its own. The O'Neill is dark no longer.

FRANK LIPSIUS

Good news for RSC

Good news for the Royal Shakespeare Company from the Arts Council yesterday but some gloom at the Royal Opera House, Covent Garden. The Arts Council announced its aid to the four major national arts companies for 1982-83. It totalled £23.4m, a rise of 10 per cent on the current year.

But there were some considerable variations. The RSC is to receive £3m, a gain of 17.6 per cent—at variance with its claim for 30 per cent more but really very generous given the fact that the Arts Council only got a grant increase from the Government of 9.2 per cent. The Royal Opera House, at £9,550,000, is obtaining only 5.9 per cent extra. The National Theatre cannot really complain about £5,950,000, an improvement of 10.2 per cent, and the English National Opera must manage on 8.9 per cent more, at £4,900,000. There will be additional funds available for the touring activities of the ENO, the National Theatre and the RSC.

A.T.

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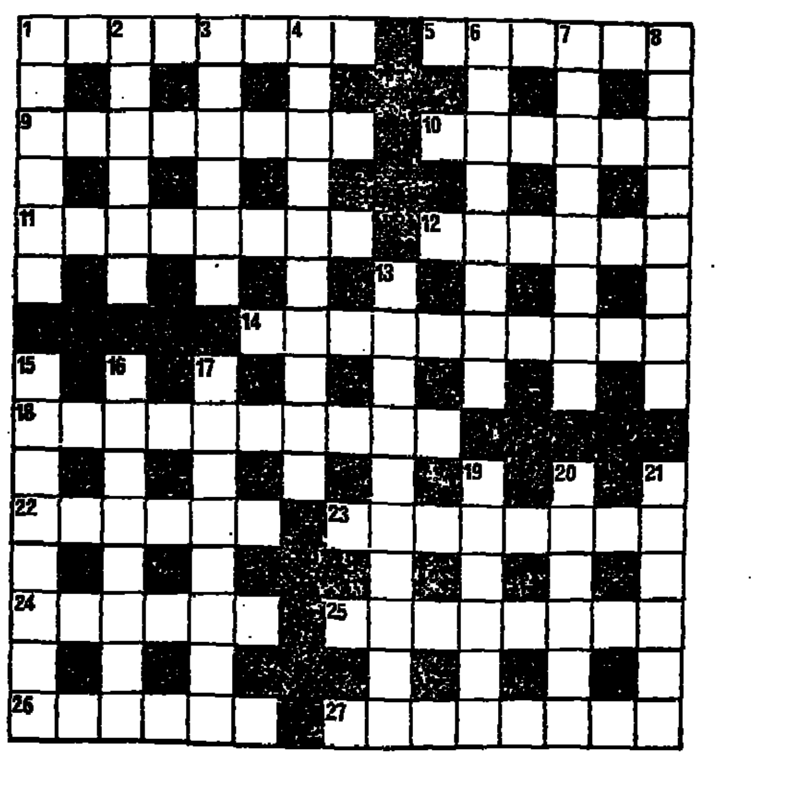
F.T. CROSSWORD PUZZLE No. 4,787

ACROSS

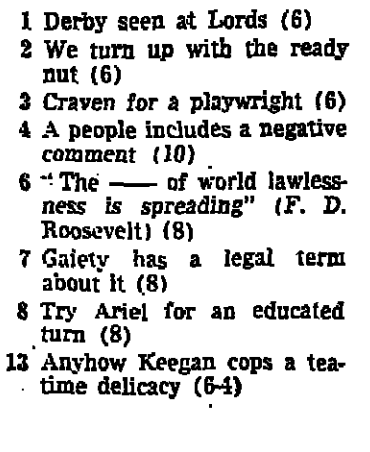
1 It's just impertinence to support the bird (8)
5 The scene of Jacob's ladder (6)
9 The breath of autumn's being, according to Shelley (4, 4)
10 Wager about the sick quarters (6)
11 Curse! The trace is broken in the river (8)
12 Sounds comparatively nude for a servant (6)
14 A relative by marriage advances to the old river (4-6)
18 The detective is rather a dog (10)
22 Get on round the mountain for the source (6)
23 Found on shore, but glimpses purgatory, we hear (3-5)
24 Caustic account about Amin (6)
25 The crowd surrounds the old time lady magistrate (8)
26 A maid neither upstairs nor downstairs (6)
27 "Let all things be done — and in order," (I Corinthians) (8)

DOWN

1 Derby seen at Lords (6)
2 We turn up with the ready nut (6)
3 Craven for a playwright (6)
4 A people includes a negative comment (10)
6 "The —— of world lawlessness is spreading" (F. D. Roosevelt) (8)
7 Gaiety has a legal term about it (8)
8 Try Ariel for an educated tutor (8)
13 Anyhow Keegan cops a tea-time delicacy (6-4)
15 Discordant sailors must get on with the worker (8)
16 Definite result of development (8)
17 To the family it is just a child (8)
19 Where the liberty-man goes (6)
20 City district in clever fault (6)
21 Showy dipteran round a tree (6)



Solution to puzzle No. 4,786



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Tuesday February 2 1982

OECD warns France

THE LATEST report on the French economy published by the Organisation for Economic Co-operation and Development (OECD) is a masterpiece of its kind. It combines sympathy with the new Socialist Government's main objectives — the promotion of employment through an expansionary policy, while keeping prices and incomes under control — with carefully-worded scepticism about the likely results of France's current economic strategy. The report's delicately-balanced conclusions are entirely in keeping with the OECD's tradition of never offending a member government — least of all an important member — while hoping that enough people will read the real message between the lines to make the exercise worth while.

Policies

Looking first of all at the credit side of the French economic balance sheet, the OECD Secretariat notes that a more expansionary fiscal policy, the creation of jobs in the public sector and some relaxation of monetary policy since last June are bound to lead to a moderate recovery of growth. This should be set against the trend of the French economy during the final year of President Giscard d'Estaing's administration between mid-1980 and mid-1981, when growth was slightly declining and unemployment and inflation were rising fast. A reversal of this trend, even if it is accompanied by no more than a modest rise in GNP over the next 18 months — the OECD is forecasting a rise of 2.5 per cent in 1982 — is "already a positive factor," according to the organisation's experts.

Demand

As far as it goes—and that is not very far—the Secretariat's statement can hardly be disputed. Everyone is in favour of economic growth and high employment, on condition that they don't lead to galloping inflation, unmanageable payments and budget deficits and, ultimately, to a decline in living standards. What is at stake in France, which is no exception to the general rule, is whether the positive aspects of President Francois Mitterand's policies are not completely outweighed by their negative results. Even the OECD is finally obliged to grasp the nettle, after a final, if half-hearted salute to the Socialist administration, whose goals "do not appear out of reach."

That is the last of the really good news in the report, which echoes many of the misgivings about the French government's economic policies expressed by economists and observers in other Western countries, including those with socialist regimes. One of the main reservations that has been made in that the international economic environment is unlikely to help President Mitterand achieve his goals in the immediate future.

If the markets for French exports remain as slack as they are at the moment, a policy leading to an expansion of domestic demand would merely exacerbate an already serious balance of trade and payments situation. While the trade deficit shrank very marginally in 1981, thanks mainly to the decline in imports resulting from the slow growth in economic activity, the current account shortfall rose sharply to FFr 42bn (£3.8bn). A continuation of this trend would have inevitable consequences for the exchange rate of the franc.

Cautious

Other hurdles which have to be overcome include a possible acceleration in inflation and a persistence of private industry's reluctance to invest as long as it remains uncertain about the Government's long-term intentions. Even if the rise in consumer prices slows to 13 per cent this year from 14 per cent in 1981, as the OECD optimistically forecasts, that is still double the current rate in West Germany, France's biggest single trading partner. Moreover, it is difficult to see how the French Government can beat inflation while at the same time reducing the working week, increasing annual paid holidays, and raising social security charges.

In its own cautious way, the OECD has gone to some lengths to underline the pitfalls that President Mitterand and his economic advisers face. They would be making a serious mistake to ignore the organisation's warnings, however unwelcome they might sound to Socialist ears.

The dangers of a tin cartel

MALAYSIA'S announcement that it is holding talks with Indonesia and other tin producing countries to look after their common interests could have wide-ranging repercussions. The main objective of the move appears to be to protest at the refusal of the U.S. to join the new International Tin Agreement, due to come into force in June, and to emphasise the producing countries' hostility to sales of surplus tin from the U.S. strategic stockpile at a time when world supplies are more than adequate.

Control

Inevitably talks of this kind will revive the spectre of a producer cartel (dubbed Tinpec) being formed. Malaysia last year threatened that if industrialised countries continued to ignore the interests of producers, pressure for a cartel would build up. Of all commodities, tin is probably the best candidate for following the example set by oil producers through Opec. Output of tin is concentrated among four main producing countries, with three of them—Malaysia, Indonesia and Thailand—grouped together geographically and sharing similar political and trade interests. Bolivia has declined in importance from second to fourth place among tin producers, but in recent years has shown increasing disillusionment with the International Tin Agreement and U.S. tin policies.

These four countries, which account for well over 80 per cent of primary world tin supplies, could easily control the market for a period at least. Indeed many people believe producing interests are already doing so through the influential group that has been dominating the tin market since last July —immediately after consumers turned down for the second time producers' demands for a rise in the tin agreement range. By constant support buying, the group has pushed tin prices to a record level when demand for base metals, including tin, is at a low ebb because of the industrial recession. The support buying campaign, it is argued, has been going on for too long, and cost too much money, merely to be a private speculative venture, like that attempted by Bunker Hunt in the silver market.

The assumption is that the campaign must be backed by producers, who have the most to gain. However, there is a considerable difference between a secret market support operation and open acknowledgement of a producer cartel. Should producers get together officially, it would spell the deathknell of the International Tin Agreement, the oldest surviving commodity pact between consuming and producing countries. The 25-year-old tin agreement has frequently been cited as a model for other commodity pacts in which consumers and producers can co-operate in their mutual interests. But unilateral action by one side would make co-operation impossible.

A collapse of the tin agreement would have a damaging effect on the whole commodity stabilisation programme, sponsored by the UN Conference on Trade and Development (Unctad). This programme, like much of the so-called "new international economic order" which the developing countries are eager to promote, is almost certainly unrealistic. But the prospects of moving even part of the way towards commodity price stabilisation depend on a recognition by producers of consumers' legitimate interests.

The International Tin Agreement has worked reasonably well in stabilising the market and protecting producers from vicious price fluctuations. But in recent years, especially since the U.S. joined the fifth agreement, it has increasingly become a political battlefield. Constant wrangling over producers' demands for increases in the agreement's price range has soured the atmosphere. Apart from the U.S., some other consuming countries, such as West Germany, the UK and Japan, are wavering about joining the next Agreement and would almost certainly decide not to do so if the producers formed a separate group.

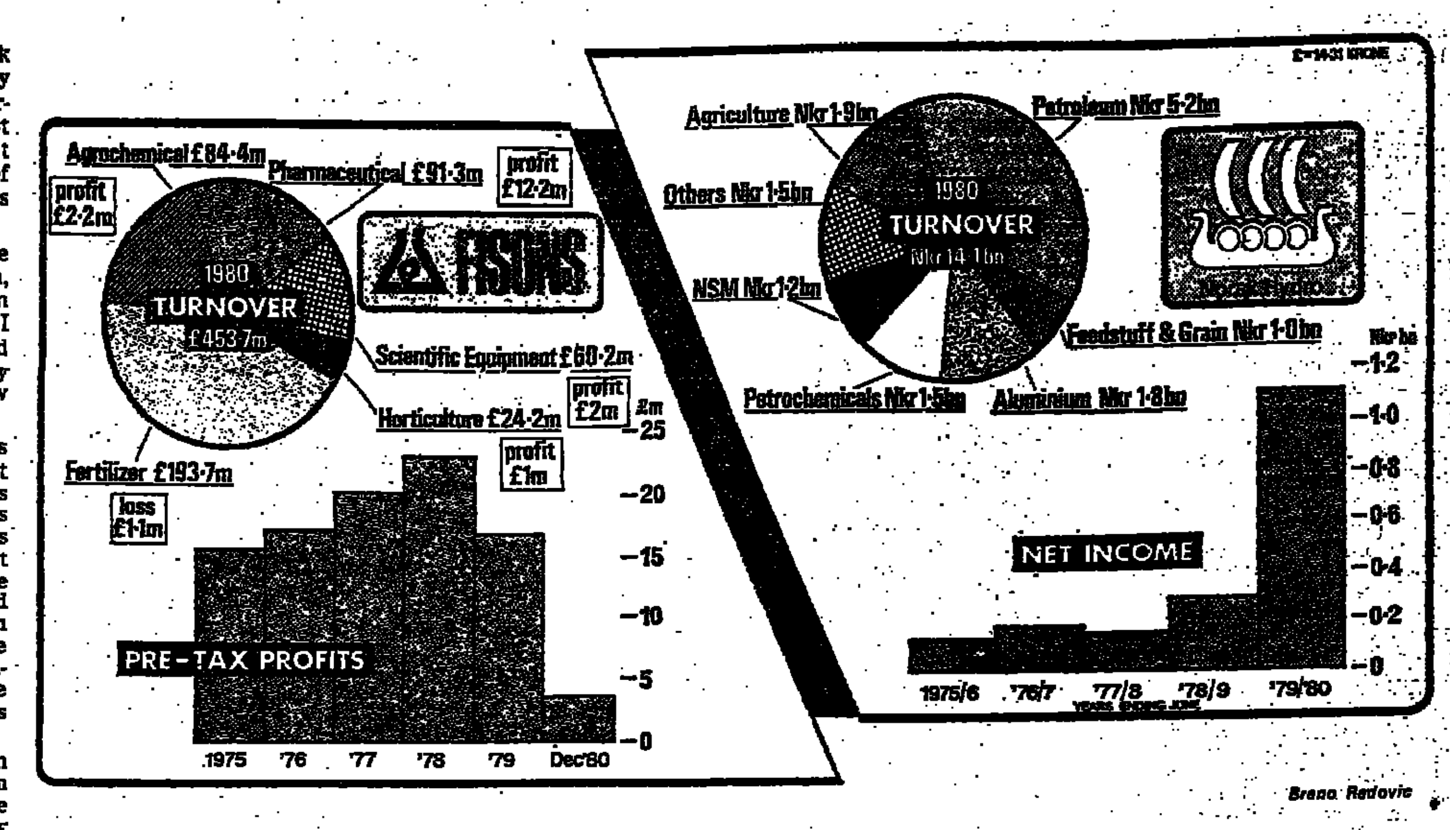
Stockpile

They would argue that the maintenance of prices under the existing agreement has already slowed down the growth of consumption and that if producers pushed prices even higher demand prospects would suffer so severely as to break the cartel. Lurking in the background is the threat of increased sales from the U.S. stockpile which contains the equivalent of nearly a year's world tin supplies. In these circumstances an attempt by the producers to force prices up unilaterally would be self-defeating.

NORSK HYDRO AND FISONS

A £50m foot in the door

By Sue Cameron, Chemicals Correspondent



Brano Radovic

THE UNVEILING of Norsk Hydro's plan to buy Fisons' troubled UK fertiliser business for £50m must have caused some long faces at the Millbank headquarters of Imperial Chemical Industries yesterday.

The deal has yet to be finalised. But if it goes through, it is almost certain to mean tough new competition for ICI in a market which the UK-based chemicals giant has increasingly dominated over the past few years.

Fisons was not hiding its relief yesterday that it may, at last, be able to rid itself of its fertiliser division. Fertilisers led to the birth of Fisons around 130 years ago, but recently they have become the company's Achilles's heel—and have imposed a severe strain on its other activities. These include pharmaceuticals, scientific equipment, horticulture and a joint venture with Boots in agrochemicals.

Fisons, which lost £1.115m on a fertiliser turnover of £193.97m in 1980, has suffered from the fact that it does not have any natural gas or ammonia production of its own.

What must worry ICI—despite its assertions yesterday that the projected change of ownership would not make much difference in the market-place—is that Norsk Hydro has substantial supplies of both North Sea gas and ammonia. It should certainly have enough to cancel out the cost advantage ICI has enjoyed up to now in the UK market — largely because of its own celebrated, low price 15-year gas contract signed in 1969.

Fisons, which hopes to save between £6m and £7m a year in interest charges as a result of the deal, has made a determined effort to rationalise its fertiliser operation. Shutting a number of smaller, uneconomic plants and cutting jobs.

Why the change of ownership must worry ICI

there was never much chance that these moves would restore profitability.

"We cauterised the wound through our restructuring," says Mr John Kerridge, Fison's chief executive, "but it wasn't going to be enough to turn fertilisers into a good, sound cash business. In any case, with the sort of numbers involved in fertiliser investment today, we're simply not in a big enough league."

Both compound fertiliser and straight nitrogen fertiliser—some 3m tonnes of compound and 2m tonnes of straight nitrogen are sold in the UK each year—are ammonia products, made chiefly from natural gas.

Fisons has been buying roughly half its ammonia requirements — some 150,000 tonnes a year from ICI. This ammonia has been sent "over the fence" at Immingham on Humberside where both companies have plants and ICI is known to have sold to Fisons at an advantageous price. Fisons has had to buy the rest of its ammonia needs at international market prices.

Despite the benefits of the Immingham deal, Fisons has never been able to compete with ICI on costs in the fertiliser field. In the straight nitrogen fertiliser field, ICI has long dominated the UK market.

Britain's three major fertiliser producers are ICI, Fisons and the Dutch-based UKF, in which the group used to have a 25 per cent stake. Estimates of their various market shares vary considerably. It is thought that in the straight nitrogen fertiliser market, ICI has a 60 per cent share with Fisons taking just over 15 per cent and UKF about the same. In compound fertilisers, ICI is believed to have over 35 per cent while Fisons claim "over 25 per cent" and UKF is thought to have 12 to 13 per cent.

ICI has therefore long enjoyed a commanding position in Britain—particularly as the UK is almost self-sufficient in fertilisers with only a tiny proportion being imported—7 to 8 per cent at most—or exported. Some observers of ICI believe that the UK chemicals major has never been keen on pushing product prices too high lest new competitors should be encouraged to enter the British market.

Yet the real secret of ICI's success arises from its gas supply contract—which seems in retrospect to have been a piece of accidental good luck. In 1969 ICI signed a 15-year contract with what is now the British Gas Corporation for some 900m therms a year of gas.

At the time British Gas was delighted to find an outlet for so much gas in the industrial market place. There were those who argued that ICI had made a bad move—the price of oil was going down. History—in the form of two world oil crises—has shown that ICI probably never did a better deal in its life.

Fisons made a determined attempt to rationalise its fertiliser operation. But there was never much chance of restoring profitability

By 1975 gas prices in the UK had risen dramatically and it was estimated that ICI was benefiting by some £90m a year from its 15-year contract. The group was paying only a couple of pence a therm for its gas. The envy and outrage of competitors at ICI's good fortune led to the contract price beigg renegotiated.

But even today, ICI is still thought to be paying only some 6p to 8p a therm for the 1bn therms a year that it takes under the original contract—plus a few smaller contracts that were signed at the same time. And, as UK manufacturers so often complain, the going rate for firm supplies of industrial gas is now 29.5p a therm while interruptible supplies are priced at an average of 25.5p a therm.

Clearly ICI could expect a substantial discount from British Gas—because of the volume of gas it takes—if it were buying at today's prices. But the contract gives ICI a head-and-shoulders start over any competitors in the ammonia/fertiliser business for at least another two years.

Now, however, the future begins to look very different. Hydro, which has been steadily expanding its European fertiliser business, has the capacity to produce 2.145m tonnes a year of ammonia worldwide. And it has abundant supplies of North Sea gas.

The European straight nitrogen fertiliser market is forecast to grow at around 3-4 per cent a year. But at the same time, the chances of exporting fertilisers to developing countries seem set to diminish because gas-rich nations in, for instance, the Middle East will set up fertiliser industries of their own.

This is certainly the Hydro view although some industry experts believe that as the developing nations grow richer, their demand will increase sufficiently to soak up all the extra production. Be that as it may, Mr Erik Tonseth, Hydro's vice-president in charge of the agricultural division, is on record as saying that European exports to more distant markets are likely to fall in the face of new, local production. He added that where there was little growth, "we will have to increase our market share." To this end, Hydro has been increasing its own fertiliser operations with a will—largely through acquisition.

- In the last few years it has acquired a majority shareholding in the Swedish Supra fertiliser company, which has a total production capacity of some 1.4m tonnes a year. The terms of the deal were not disclosed but it is believed that around NKr 350m (£31.6m) was involved.
- In 1979 Hydro acquired the Dutch-based NSM for NKr 850m. The company, which uses gas from the Netherlands' Groningen field as raw material, has a total production capacity of between 1.7m and 1.8m tonnes a year of fertiliser—depending on the product mix.
- And way back in 1969, Hydro took a 25 per cent stake in QAFCO, the Qatar fertiliser company which has the capacity to produce 1,800 tonnes of ammonia per day and 2,000 tonnes a day of urea—made from ammonia and used in the manufacture of fertiliser.

At present, despite its huge production capacity, Hydro is still short of ammonia. But it is currently building a 500,000 tonnes a year ammonia plant at Sluskil in the Netherlands.

The new plant is due on stream in 1984—the year when the ICI gas contract runs out. After that, even when Hydro has met its ammonia shortfalls in other countries it will have enough left over to supply the 150,000 tonnes a year that Fisons has to buy on the open market.

Fisons has substantial modern ammonia storage facilities at its Avonmouth site. But it is not yet clear whether Norsk Hydro will want to continue buying ammonia from ICI in the UK. The Fisons/ICI ammonia contract has been extended for a year and runs out early in 1983. But storage facilities at Immingham appear to be limited, so ICI would need to find an alternative buyer for its ammonia. Last night there was speculation that Hydro would come to a deal—if the price were right.

More significant — in the longer term—is the fact that Norsk Hydro participates in 24 blocks in the Norwegian sector of the North Sea and has a 32.87 per cent share in the Norwegian sector of the Frigg gas field. Largely as a result of its gas interests, the UK is Hydro's biggest geographical market.

An outside chance of another plant in Scotland

Hydro is believed to be looking at the possibility of building a second new ammonia plant towards the end of the decade. The probable site for such a plant, bearing in mind Norway's current plans for a new North Sea gas-gathering project, would be Karsto on the Norwegian coast, where the gas is to come ashore.

There is just a possibility—an outside one admittedly—that Hydro could choose to build an ammonia plant in Scotland. Frigg gas is landed at St Fergus on the Scottish coast and Hydro has a site nearby.

Such a move could threaten ICI's hitherto undisputed leadership of the UK fertiliser market. As it is, the projected Norsk Hydro takeover of Fisons' fertiliser business is expected to bring much sharper competition to the British market — particularly after 1984.

HOW NORSK HYDRO GREW

NORSK HYDRO grew very rapidly in the 1970s, when turnover increased tenfold on the back of its participations in the Ekofisk and Frigg fields in the North Sea.

In the financial year to June 1980 net profits were NKr 1.11bn on sales of NKr 14.1bn, and in the six months to December 1980 (the group is changing to a calendar year-end) Norsk Hydro earned NKr 653m on sales of NKr 8.3bn.

The Norwegian Government holds a 51 per cent stake in the company, but does not interfere in commercial affairs. Shareholders' equity at the end of 1980 was NKr 3.37bn.

Petroleum production had built up to 5.3m tonnes of oil equivalent by 1979-80, of which 3.9m tonnes were accounted for by gas, predominantly from Frigg.

Apart from its petroleum division, Norsk Hydro has substantial interests in fertilisers, feedstuffs and grain, petrochemical, aluminium, magnesium and industrial chemicals. The company's agricultural division made sales of NKr 1.89bn in 1979-80, including 1.37m tonnes of complex fertiliser.

Martin Taylor

Men & Matters

Norman's conquest

The soapboxes are out again at Davos, the Swiss alpine ski resort which doubles as a rich man's Speaker's Corner. Last year, Saudi Arabia chose Davos to come to a long-awaited agreement with the West about Saudi finance for the International Monetary Fund. This year, the Americans have taken centre stage with a major attack on protectionism and on European keenness to trade with the Soviet Union.

Davos owes its eminence to the expertise of the European Management Forum, a Swiss foundation which over the last 12 years has staged an annual symposium which has been the highlight of the top European businessman's conference diary. Some 450 of them gather at the resort for a week-long meeting with counterparts from the U.S., Japan and developing countries, to discuss the economic, social, corporate and political issues of the moment. Their efforts are assisted by visiting government ministers — two dozen this year — plus central bankers, psychologists and even theologians.

Apart from the official sessions, there are opportunities for meeting in private or informal conclaves, plus a little relaxation on the ski slopes.

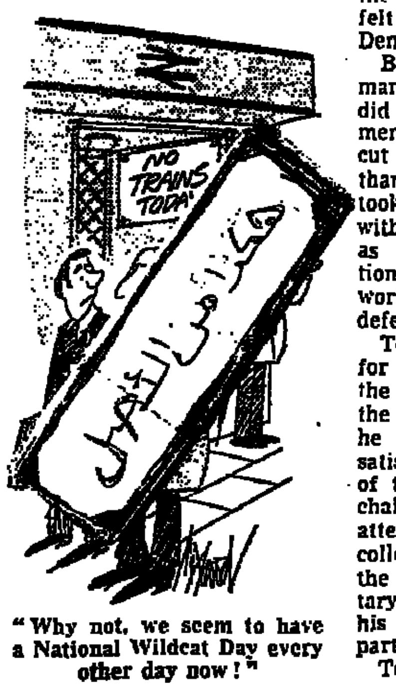
The relatively rare chance for ministers to meet informally with one another and with the heads of leading international institutions has proved popular, and the Forum intends to offer similar facilities next year. This is likely to mean a repeat invitation for the star of this year's show, who, British readers may be surprised to learn, was Norman Tebbit, "Her Majesty's Minister for Unemployment" as he was styled by a French businessman.

British politicians have sometimes proved awkward guests at the Forum, because of their tendency to dwell on parochial party issues while ignoring the broad international view which the occasion demands. This was felt to be particularly true of Denis Healey last year.

But Tebbit turned in a statesmanlike performance. Not only did he admit that his Government might have done better to cut public expenditure rather than dash for a tax cut when it took office, but he also talked with great aplomb on such topics as export subsidies, protectionism, relations with the third world, and even Japanese defence policy.

Tebbit won unstinting praise for his performance even from the Frenchman who had made the earlier unkind sally. But he may have drawn the most satisfaction from a neat piece of table-turning on symposium chairman Edward Heath, who attempted to upstage his party colleague by remarking that the British employment secretary has little influence over his trade and industry counterparts.

Tebbit's reply was a smile, and the observation that Heath had managed to rise from employment to prime ministerial office, and that he himself would be delighted to do half as well. If Tebbit can maintain yesterday's form, Mrs Thatcher may find him an even more valuable asset on the foreign front than at home.



"Why not, we seem to have a National Wildcat Day every other day now!"

Tail piece

Extract from question time at the Greater London Council. Sonia Copland (Con. Sutton, Carshalton): Have you read the January issues of Cosmopolitan magazine? Can you issue a statement to reassure Londoners in reply to the comment that scorpions have taken up residence in the Underground?

Dave Wetzel, Transport Committee chairman: I am not aware of any sightings of scorpions on the Underground system. The story may stem from a report some two years ago of the discovery of a small and, I am assured, harmless variety seen in Ongar goods yard.

While there is no danger of passengers being stung by scorpions, there is no doubt that they will be stung by the fares increases forced upon them by the House of Lords judgement.

Steamed up . . .

"You are just vermin . . . rot in hell . . . you are a national disgrace, people of your stupidity and character should be kept in an asylum . . . you are the greatest traitor to this country since Guy Fawkes."

Just a few samples from the popular Ray Buckton's postbag quoted in the current issue of the ASLEF journal Locomotive —and remarkably similar to the mail his predecessor John Bromley received during the 1924 rail strike.

According to Buckton, the reaction against him and his members has been only a little less abusive in the Press and television. "It has been impossible to open the papers without reading some fresh barrage of lies. . . ."

British Rail's newspaper ads —which ASLEF estimates have cost about £150,000—have put the union at an enormous tactical disadvantage, Buckton says.

The union journal makes a rather despairing attempt to redress the balance by devoting nearly the whole of its eight pages to the dispute.

It scores some points at least with a humorously ironical spoof of the BR and itself. "Here in Rail House," it announces in part, "we've dreamt up a way of getting something for nothing. It's called flexible rostering. . . . Part of the BR team (Sir Peter Parker) has already agreed to flexible rostering. He has agreed to work four days a week for an extra £12,000 a year."

. . . and run down

While trades unions may have to take it, they can also dish it out—as demonstrated by a farewell tribute to Joe Gormley in the NUM area newspaper Yorkshire Miner. "All we can say," says YM, "is bloody good riddance."

The official voice of Arthur Scargill's home base remarks that "a man's retirement is something special in life. No matter what differences there were in the past, all unpleasant feelings are temporarily suspended . . . However, we would be wise to forget all such courtesies when it comes to the retirement of Joseph Gormley as president of the NUM."

The attack comes in the wake of Gormley's "moderate" stand on recent NUM pay negotiations, culminating in an eve-of-ballot newspaper article. "Beyond the pale of decent and civilised behaviour," says Yorkshire Miner, not sounding as if it stands very far inside that pale itself.

Observer

MEDICAL TECHNOLOGY

The Pru and a £1.4m gamble

By David Fishlock, Science Editor

JUST A decade ago the world was alerted to a British invention which could peer into the brain and other organs and pinpoint damage or disease. So exciting were the medical revelations of the EMI-Scanner that EMI quickly achieved annual sales of tens of millions of pounds. Its inventor was rewarded with a Nobel Prize.

In 1982 the world is being alerted to another dramatic advance in medical diagnosis pioneered above all by Britain, which stands poised for its commercial debut. Could the new invention suffer the same ignominious fate? For EMI ran into trouble in the late 1970s, to be bought by Thorn which then sold off all its interests in the culpable EMI-Scanner.

Yesterday a new venture in Scotland was announced by Prutec, the new venture capital arm of the Prudential group which has invested about £20m to date. Prutec has put £950,000 into a Scottish company called M and D Technology, set up to launch an invention from Aberdeen University. According to Mr Derek Allam, *chief executive* of Prutec, it is precisely the kind of project he wants to back.

He is entering a high technology part of the medical equipment market which some observers believe is about to explode once again. But this time more than a dozen international electronics groups including General Electric of the U.S., Siemens, Philips, Hitachi and GEC are also rushing to get machines on the market. Against names such as these, what chance has a newcomer, even one with the backing of the Pru?

The project is a new kind of scanner for peering into the body's organs. Like the EMI-Scanner it uses a mini-computer and very advanced mathematics to construct an image right through, say, the brain unimpeded by skull bone. So clear is the picture that doctors can spot tumours and other signs of disease when they are much smaller than the scanner can see, and distinguish between malignant and benign growths.

The scientific basis of the new instrument is quite different from that of the scanner. The scanner is a novel way of using X-rays, discovered in 1895. The new tool uses a less familiar mechanism called nuclear magnetic resonance (NMR), discovered in 1946. The idea is to make atoms ring like bells by striking them with radio waves. Each atom then emits a characteristic "note" from which a pattern can be constructed electronically.

Like the scanner, NMR as a medical tool turns out to be an expensive investment. Not only must its complex electronic side be trustworthy, so that patients will not suffer through misdiagnosis of disease that does not exist, the mechanical side must also be expertly engineered so that no *harm* comes to the patient. The story is told how over-enthusiastic researchers in Stockholm once nearly decapitated a patient when, through mechanical failure, their new instrument held his head locked immobile while *the travelling bed tried* to bear his body away.

As a result, Mr Robert Davies, managing director (the "D" in M and D Technology), expects his new NMR imagers to cost between £300,000-£400,000 each when they reach the market next year.

What can NMR imagers offer to justify this kind of investment by the health services? A major incentive for the inventors has been to avoid the need for X-rays in constructing the image. Scanners expose patients to relatively high doses of radiation. This does not matter if the patient only needs one or two exposures, but it can become a serious worry if he needs many exposures to follow the progress of treatment or to discover the trouble. In Japan, where they have a natural antipathy towards radiation, including X-rays, they are going "NMR mad," to quote one UK businessman. Hitachi, Shimadzu, Sanyo and Toshiba are all in this market.

NMR uses a very low level of radio-frequency radiation to get the atoms resonating; too low, it is believed, to cause any harm. But it also requires the patient—or that portion under examination—to be enveloped in a powerful and uniform magnetic field.

At Aberdeen University, Professor John Mallard (the "M" in M and D Technology) and his colleagues in the Department of Bio-medical Physics and Bio-engineering have used their NMR imager on more than 500 patients. They have worked closely with *the Department of Nuclear Medicine* at Aberdeen Royal Infirmary.

Ashley Ashwood

Prutech's Mr Derek Allam: precisely the kind of project.

For example, they studied 30 patients with liver disease and another 20 with healthy livers. They produced computer pictures in vivid colours which clearly *differentiated* small tumours from small cysts, and also provided early indications of cirrhosis. With NMR the radiographer can not only pinpoint but measure very precisely the size of the tumour.

The technique is to look for one atom only, hydrogen, a component of water, the most common ingredient of our body. It generates a computer map of water concentration in the organ under examination. The equipment is tuned so that no other molecule is present in sufficient amount to be detected.

EMI in the mid-1970s also *recognised that NMR could* provide a complementary technique to its scanners and ultrasonic imagers, and perhaps even formidable competition. Its central research laboratories at Hayes worked closely with another British university team. At Nottingham University, Professor E. R. Andrew and his colleagues in the Department of Physics had pioneered NMR development. Three different groups are now working in the field, and the university has patents which may prove fundamental to the technology.

In 1976 the EMI researchers began to develop their first whole-body NMR imager. Clinical trials of this imager on the brain at the Royal Postgraduate Medical School, Hammersmith, showed "remarkable differentiation between grey and white matter on all subjects examined." It was reported in The Lancet last summer. White matter contains less water. These researchers suggest that the technique may prove particularly useful in diagnosing muscular dystrophy and nutritional problems.

Last year GEC fought off a counterbid from U.S. General Electric to acquire the rights to the technology of the Hammersmith Hospital's wholebody imager, and the Thorn-EMI research behind it. It had been built with Department of Health funds. GEC already had links with work on NMR at Nottingham University, under trial by Nottingham City Hospital.

Vastly reinforced in medical technology by its acquisition of Picker International, 10 times as big as GEC Medical and a leading U.S. maker of X-ray equipment, GEC now believes it is strong enough in this sector to tackle commercially a development as big as NMR imaging. Mr Derek Roberts, GEC's director of research, believes the EMI team "has done a very good job." With Picker, he shares the view that this instrument is the best of its kind in the world, producing the most exciting medical results. GEC has just set up a new laboratory at Wembley, called the Picker Research Laboratory, devoted at present to NMR research; while a major development programme is being shared between GEC's laboratories and Picker's laboratories in Cleveland, Ohio.

How can a start-up company with only £1.4m hope to succeed in the league of big medical technology? "It's going to be a very large market and we're seeking a very modest share of it," Robert Davies forecasts.

The company sees itself as the commercial outlet for *innovations in medical technology* from an inventive university department. The major shareholder is Prutec, 35 per cent. Another 35 per cent is shared between Prof. Mallard, and Robert Davies. The rest of the shares are owned by the Scottish Development Agency, the Scottish Northern Investment Trust, and Aberdeen University Research and Industrial Services. In addition to the Japanese electronics groups its rivals include Siemens, Philips and CGR in Europe, and U.S. General Electric, Technicare (Johnson and Johnson), and Diasonics in the U.S.

Most of the leading university teams in NMR have found enthusiastic commercial backing. Prof. Mallard's research, for example, has been funded by *Asahi, the Japanese chemicals* group. In fact, commercial security imposed on the research prevented publication of pictures taken with most experimental NMR imagers until last year.

Every one of these industrial groups, big and small, will have studied the dramatic rise and fatal fall of EMI in medical imaging. This company believed it had such a strong technical position in X-ray scanners that it could take on commercially far more powerful rivals.

No British company has studied EMI's experience more closely than Oxford Instruments, a small high-technology group in the unique situation of having supplied the all-important magnet for virtually every NMR imager in the world today, including those at Aberdeen and the Hammersmith Hospital.

"We're getting our act together to deal with the explosion," says Mr Martin Wood, its founder and chairman. "It's the biggest thing we've ever had to meet."

The performance of the magnet is proving critical to the success of the new technique. Thus it is a major component costing from £40,000-£50,000 to several times this amount for the latest superconducting systems.

To succeed as supplier of the component round which the instrument is designed, Oxford Instruments works closely with each of its customers. It must therefore convince them not *only that it can meet tough* specifications, but that their technical secrets are secure; that the company has no plans of its own to enter the NMR imager market.

As Martin Wood sees it, his customers are undertaking such a technologically complex system that, if they can be persuaded to sub-contract one key piece of NMR technology in full confidence that their specifications and schedules will be met, he will continue to get their business.

Lombard

Excess of zeal for competition

By Giles Merritt in Brussels

SHOULD the rules governing fair competition in the EEC be tightened in times of recession, or should they be relaxed? *Most businessmen would* probably opt for relaxation, but in the eyes of the European Commission they would be wrong.

The question is more than an academic one, for Mr Frans Andriessen, the Dutch Commissioner in charge of the Brussels competition watchdogs, is currently preparing new "guidelines" to make enforcement of the rules less capricious. The signs are that he plans to remove all room for anomalies by applying EEC competition law more rigorously than ever.

If so, it is not a move that many chief executives in Europe will welcome. Their approach to ensuring greater consistency would be to urge the Commission to relax the grip of the competition rules, for their complaint is that rigid application of those rules is already strangling companies that are grasping for breath in the thin air of recession.

The argument is that stringent anti-trust action by Brussels was acceptable, and even necessary, during the economic boom years of the 1960s and early 1970s, but now is proving counter-productive.

Rather than leave the matter in the hands of the Brussels *Commission, perhaps the EEC* governments would do well to decide between themselves what it is they want from competition policy. There is something to be said for cartels and concerted subsidisation schemes that, while breaching the *Treaty of Rome in the letter*, are not necessarily contrary to its spirit of European industrial co-operation.

If EEC governments agree that their major industries should not be hamstrung by *pernickety regulations that discourage* restructuring, the Commission should be told that now is not the time for legal niceties.

The competition laws set the ground rules for business. So a review that would take account of changed economic conditions over the last quarter century seems not only sensible but could also be a first step towards the European industrial policy that the Ten are finding so elusive.

In advance of re-defining the EEC competition rules, Mr Andriessen has during the past six months instituted a crack-down in which maximum fines are being used as a deterrent. Some U.S. investors, who had fondly imagined their own Justice Department to be the most heavy-handed of all the trust-busters, are understood to be getting worried by the tougher regime.

There is, furthermore, already a suspicion harboured by some non-EEC companies that competition law in its present opaque form is being used as an unfair adjunct to Europe's industrial policies. It is not a provable contention that the laws are being used to clear the way for the re-launching of EEC industries, but the seeds of doubt remain.

Critics point to the dent made in Japanese Hi-Fi successes by the Pioneer case, and to the potential benefits to EEC pulp producers if the pending action against a "cartel" of over 50 Nordic and North American producers results in a Brussels victory and fines that in theory could reach an improbable $250m.

Few people would advocate making the Community's competition rules so lax that powerful corporations would be able to perpetrate injustices on the consumer and on smaller competitors. But national authorities in any case guarantee against that. The importance of the EEC rules is that they can shape, or limit, industrial strategy. And complaints that the Commission's Directorate General IV has generally failed to grasp that point are not confined to industrialists.

It may well be that Mr Andriessen would welcome advice from member governments, employers' organisations, trades unions and consumer groups before finalising his new "guidelines."

Letters to the Editor

Renovation of the building stock

From Miss Margaret Cox.

Sir,—Mr Richard Dibben's concern for providing a full working load for his builders (excessive conservation hitting builders, January 14) is highly commendable but the facts on which he bases his concern are highly contentious.

Conservation is only excessive if related to the mass new building of the 1950s and 1960s, when there was a population explosion, interest rates were low and extensive new housing was needed to replace the dwellings flattened during the war.

Today circumstances are totally different. There is a recession, interest rates are high and the population growth is zero. In 1976 the Department of the Environment assessed the number of dwellings in England and Wales at 17.5m. Of these 3.2m needed attention (either repair, renovation or the provision of new amenities). Surely there is logic in renovating and repairing the building stock.

The Victorian dwellings, which number approximately one-third of the total housing stock, are *not* second-rate buildings, nor are they incapable of being brought up to present day standards. External walls can be dry lined, roofs insulated and primary windows secondary glazed to equate with the thermal properties of their newer counterparts. They are usually more spacious than modern buildings, lend themselves to alteration and adaptation and are more suited to family needs. They enjoy larger gardens and offer scope for extension and for gaining internal space by *redesigning the external* lavatory area. The roof void is also usually of adequate pitch to accommodate an attic room. If the structural framework is *sound the fabric* can be renewed to give as long a life as a new building—which is nearer 100 years than *the ten to 15 reported* by Mr Dibben. Government grants are available for repair and renovation work and normally conservation is economically justifiable.

Victorian and "between wars" property was very flexible. Walls were built in lime and mortar and brick blocks can be carefully removed and re-used, unlike rigid modern cement counterparts which have limited potential for future generations. New buildings need to be flexible in layout and construction and conservation must relate to labour, materials and energy.

Perhaps Mr Dibben should consider putting all his resources behind a scheme to improve craftsmanship so that *future generations will wish to* conserve his buildings of today. Building firms must certainly gear themselves for zero population growth, conservation and the increasing do-it-yourself market, and not expect the boom years of the 60s to *return.*

Margaret Cox.
Public Relations Officer, Royal Institution of Chartered Surveyors, 12 Great George Street, SW1.

A new way to pay old debts

From Mr H. A. Lamotte

Sir,—Western governments and financial institutions are having difficulties with their Eastern European loans. Discussions on the rescheduling of Poland's debt to the West have yet to be satisfactorily concluded. It seems almost certain that the lending banks will have to write off a substantial part of those loans. Some institutions might well require Central Bank support.

Now the Soviet Union seems in financial trouble and has asked Japan for postponement of a loan. The Bank of International Settlements has reported Russian deposits in *Western banks have fallen* by over 50 per cent since December 1980 while outstanding loans have remained unchanged.

Aid to Comecon countries, the occupation of Afghanistan and bad grain harvests are straining Russia's financial resources. It is understood that to alleviate this strain, the Soviets are selling large quantities of gold, diamonds and gas oil. A substantial reduction of Eastern European debt would seem very desirable and might be achieved as follows:

The Western lending banks would authorise their respective Central Banks to exchange for Russian gold a substantial part *of their outstanding loans to* Eastern Europe. Such an exchange might well have to be done in regular instalments over a period of say, three years and an appropriate gold price would have to be negotiated. The Central Banks would subsequently buy this gold from the lending banks.

This proposal would achieve the following: The lending banks would not have to write-off their loans to Eastern Europe. No banks need run into serious trouble due to unpaid loans: Comecon countries would retain their credit rating: East-West trade could continue unperturbed; heavy Russian gold sales on the open market would not depress the gold price; Central Banks could acquire additional gold (reserves) without pushing up the *gold price.*

H. A. Lamotte.
Cardinal House.
39-40, Albemarle Street, W1

Conservative and Labour rates

From Mr Jack Straw, MP

Sir,—Despite all his extravagent rhetoric (January 28), the one thing which Local Government Minister, Tom King, has been unable to do is to deny the accuracy of my figures (January 25) indicating that, on average, rate bills in the 13 Labour controlled shire counties are, after *taking full account of* the supplementary rates, 74p per week below the average £4.51 charged by the 24 Conservative controlled shires. Indeed, on the BBC Radio 4 "Today" programme, Mr King had to admit *that the figures* were correct.

Nor does it lie in Mr King's mouth to dispute the value of such figures, by seeking to describe them as "complete nonsense." For the Government used exactly the same measure —average unrebated domestic rate bills—*to* illustrate, just as I was, "relative rate burdens" in their Green Paper "Alternatives to Domestic Rates" published in December, 1981 (Cmnd. 8449, page 11, table I; the Government's figures were by region, mine by county).

There is also a fundamental flaw in Mr King's claim that the "real test" of comparative rate burdens lies in relative rate poundages, which is the enormous variation in the valuation of similar properties in *different* areas. The Layfield Committee's analysis (Cmnd. 6453, page 158, table 8) showed that rateable values for their "standard house" (an identical three-bedroomed semi) varied from £155-£177 in the North region, to £216-£267 in the West Midlands, and £322 in Greater London — which is one reason why they *recommended* a change to capital valuation.

I acknowledged, in my original statement, that the reasons for the variations in rate bills included areas' relative prosperity, wage levels, the rate support grant system, and that average rate payments "*would* not necessarily follow the pattern of political control." But the facts—still undisputed—remain. And it is not rate poundages that people pay, but rate bills.

Jack Straw.
House of Commons,
London, SW1.

Misused subsidy on the railways

From Mr G. J. Cohen

Sir,—Mr Peter Masefield's article *on Monday* is to be welcomed as useful contribution to the discussion of public transport.

I believe however that he has overlooked, or misinterpreted the public's real concern, which is not the principle or level of the subsidy, but the risk of it being misused, e.g., to support inefficient management and its historic heritage, restrictive *working* methods.

It is therefore essential that a realistic cost of operations, determined, perhaps, by independent consultants or by comparison with foreign undertakings should be the basis of any subsidy formula.

G. J. Cohen.
Senior Lecturer, Transport Policy,
School of Business Studies,
City of London Polytechnic
94 Moorgate,
London, EC2.

Misuse of first class post

From R. Rosenblatt.

Sir,—I am surprised to read Mr R. F. Harbud's remarks concerning the use of first class post to distribute company dividends, reports, etc.

In particular dividends are normally payable on a particular date and it is up to the company to ensure that the warrants arrive on that date, something that although not guaranteed by first class postage, is normally assured greater success than using the second class service.

In addition shareholders could quite arguably crib over any loss of interest for any delay that occurred, especially in the case of larger shareholders. A net dividend of say *£50,000 would attract* interest of £19.15 a day at 14 per cent, somewhat more than the extra 2½p borne by the company and I would have thought that from a public relations point of view, the extra cost can be justified.

Aren't we taking things too far!

R. Rosenblatt.
4 Brinsdale Road, Hendon, NW4.

Hillards advances 28% to £2.2m at interim stage

TURNOVER OF West Yorkshire based supermarkets group, Hillards, rose by 16 per cent from £80.76m to £93.5m for the 28 weeks to November 14, 1981, while pre-tax profits showed a 28 per cent increase from £1.73m to £2.22m. Turnover included VAT of £4.95m, against £4.33m.

Mr Gordon Hunter, the chairman, says that the full year will produce an encouraging increase in profits compared with the previous year's £3.84m pre-tax.

The interim dividend is being effectively raised to 1p net per 10p share, against 0.75p last time after adjusting for the one-for-one scrip issue. For the previous 53 weeks period, payments totalled an equivalent 2.625p.

Despite keen competition the business has continued to grow. Sales during the half year included the turnover of stores at Idle, near Bradford, which opened in April and at Worksop, which opened at the end of September.

Currently the group has 39 stores, of which 23 are larger than 10,000 sq ft. Building work has started on new large stores at Buttershaw, near Bradford, and Skipton, both of which are planned to open this autumn.

Trading profits for the 28 weeks advanced from £2.02m to £2.39m, before net interest payments of £176,000 (£283,000). Tax charge was up from £220,000 to £740,000 leaving net profits slightly lower at £1.48m, compared with £1.51m. The interim dividend absorbs £243,000 (£153,000).

Stated earnings per 10p share were down from an adjusted 6.31p to 6.09p per share.

At the end of the half year, net bank borrowings were higher at £3.32m, against £2.37m at May 2, 1981, and the board considers that its borrowing facilities will be adequate to finance the anticipated growth of the business.

In current cost terms, taxable profits for the 28 weeks were £2.07m (£3.55m for previous 53 weeks).

● comment

Hillards has pushed gross and net margins up slightly and a 6.2 per cent volume improvement translates into a near 19 per cent increase in trading profits or 28 per cent at the pre-tax level after lower debt servicing costs. The current half should see the first benefits of the new Idle outlet and the start of the next financial year should benefit from the recently completed Worksop store. New building at Buttershaw and Skipton should keep up the momentum. The full year this time, allowing for perhaps some slight strain on net margins during the freeze-up, should produce £4.8m pre-tax for a fully taxed p/e of 17.8 at 162p. The prospective yield, assuming a 2p net per share final, would be just 2.7 per cent. So Hillards, like several other second line food retailers, is still supported by a good measure of bid speculation. The Monopolies reference on Argyll/Linfood may have lowered the temperature somewhat but OFT thinking need not preclude bidders from outside a clearly defined operating area.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Group Investors ......int	1.1	March 5	1.1	—	3.1
Hillards ......int	1	April 2	0.75*	—	2.63*
Howard Shuttering ...int	0.53	March 18	0.53*	—	1.33*
Kellock Trust	0.19	April 6	0.06	0.19	0.06
Regional Properties int	0.8	April 2	0.75	—	2.2
Textured Jersey ......int	1.75	April 2	1.75	—	5.5

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Decrease at Howard Shuttering

DESPITE A maintained turnover of £2.69m, compared with £2.63m, taxable profits of Howard Shuttering (Holdings) have fallen from £302,849 to £226,936 for the half-year to October 31 1981.

After tax of £118,006 (£157,431) earnings per 10p share were 0.5p lower at 1.5p. The net interim dividend is 0.535p, against an adjusted 0.533p last time, after allowing for the one-for-two scrip issue. The interim has been waived by the chairman, Mr J. A. Howard and Mrs J. D. Howard.

Commercial Bk. of Wales little changed at £1.1m

Although pre-interest profits of the Commercial Bank of Wales slipped from £9.23m to £8.49m for 1981, the taxable figures were little changed at £1.11m, compared with £1.08m.

Despite the lower average interest rates throughout the year, pre-tax profits were maintained following the increased volume of business and lending of the group's banking activities.

Demand for instalment credit has been weak and margins depressed, but Forthright Finance maintained its profits at a level similar to last year.

Tax charge for the year was £527,000 (£524,000) leaving net profits up from £27,000 to £581,000. An ordinary dividend of 6p (5.2p) per £1 share, costs £300,000 (£275,000).

The company has expanded its business of providing finance for foreign trade and foreign currency services, the turnover of which has risen substantially.

In addition, the bank's management advisory services have been much in demand.

Last week, the bank was granted full banking status by the Bank of England, less than a year after being refused such recognition under the Banking Act, 1979.

Sir Julian Hodge, the bank's chairman who controls around 41 per cent of its shares, also announced plans for the bank to increase its share capital and obtain a full Stock Exchange quotation this year.

EMC gains 14% at midyear

A PROGRESSIVE increase in efficiency and success by management in containing overheads is reflected in a 14 per cent rise in pre-tax profits at Electronic Machine Company, according to the directors.

The rise in taxable profits from £52,647 to £59,999 for the six months to October 31 1981 was achieved on turnover lower at £1.15m, compared with £1.19m.

The profits for the year are unlikely to be as high as last year's figure of £160,050, say the directors. They add that resources have been conserved, which has resulted in a £100,000 reduction in group borrowings. The group continues to enhance its position to take advantage of improved trading conditions in due course, they say.

The charge for taxation has risen from £12,000 to £17,000. After minority interests this time of £4,300 attributable profits emerged higher at £47,299, compared with £40,647. Stated earnings per ordinary 25p share were given as 1.93p, compared with 1.66p previously.

The group is mainly engaged in the manufacture of optical components and systems, precision engineering, tracking radar and safety equipment.

Whitworth Electric improves

TAXABLE PROFITS of wholesale electrical distributor, Whitworth Electric (Holdings), improved from £151,485 to £164,467 for the six months to September 30 1981, on turnover about £1m higher at £7.03m. The directors say the results are encouraging in a time of difficult trading conditions.

Second-half results will depend very much on the company's ability to increase the volume of sales and contain overheads, they state.

Although last year was one of expansion, with two new branches, the directors say the current year has been a period of consolidation.

There was a tax charge of £85,523 this time leaving net profits of £78,944 (£151,485). It is anticipated that there will be a tax liability for the year ending March 31 1982.

Halftime earnings per 5p share are stated down from 3.83p to 2p.

For the last full year, pre-tax profits were £715,673, from which a single net payment of 1.509p per share was made.

Morley Group omits interim

Profits of R. H. Morley Group, maker of polythene film, have suffered a setback, and the interim dividend is being omitted.

In the half year ended September 30 1981 turnover rose from £1.44m to £1.84m, but the profit slumped from £60,760 to £15,188.

There is no tax charge (£10,714), leaving earnings at 1.22p (4p) per share.

In the year 1980-81 Morley paid an interim dividend of 1p but missed the final. Profit before tax was £102,690. Its shares are dealt in on the USM.

AURORA MISSES PREF. PAYMENTS

The board of Aurora Holdings is unable to approve payment of the dividends due on January 31 in respect of the 8 per cent convertible cumulative redeemable preference and 8.25 per cent convertible cumulative redeemable preference shares.

In September, the board said there was a deficit in revenue reserve account and the company was thereby precluded from paying dividends.

Textured Jersey maintains interim

TAXABLE PROFITS for Textured Jersey fell from £411,000 to £325,000 on turnover down from £5.78m to £5.55m for the half year to October 31 1981.

This jersey knitted fabric manufacturer has held a net interim dividend of 1.75p per 10p share. A total of 5.5p was paid last year.

Mr H. E. Knobil, chairman, says the results reflect the difficult trading conditions that have been encountered. Thus it is unlikely the company will achieve the record results of last year.

However, he adds, the company's liquidity remains high.

Pre-tax profits were struck after depreciation of £179,000 (£136,000).

Tax took £133,000, compared with £143,000 previously.

● comment

Textured Jersey has come back to earth with a bump. Shares had been slipping from the lofty 125p reached last summer when TJ reported record sales and profits. Yesterday's 21 per cent drop in pre-tax profits, sliced another 13p off the shares to put them at 83p. The group had been carefully threading its way through the recession by holding down costs and holding up its customer base. In the last six months, however, it has had to contend with sharp increases in its raw material costs. Chemical companies have become more confident about passing on higher prices to their customers now that overall capacity is so much smaller. For example, ICI has lifted its polyester price by 15 per cent and put through a 12 per cent rise on dyestuffs. TJ says it is not prepared, yet, to pass these increases on to its customers, hence the erosion in its margins. The group should be able to survive these troubles without too much agony—it has some £1.2m in cash reserves and no significant borrowings. Despite a vigorous capital spending programme, return on net capital employed over the past two years has been over 30 per cent. A maintained dividend gives the shares a prospective yield of about 10 per cent which should cushion them from further dramatic falls for the time being.

Flag Inv. slips halfway

Taxable profits of Flag Investment Company dropped from £535,223 to £462,178 for the half year to September 30 1981. The company is a subsidiary of Ancoml Investments and its ultimate holding company is Generale Occidentale.

Tax charge was £9,956, against £5,629, giving net profits of £452,222 for the period, compared with £529,594.

The board says the company incurs only overseas tax as it claims group relief—for which no payment is required—sufficient to extinguish its UK current and deferred corporation tax liabilities.

The comparative charge for 1980 has been restated to exclude UK tax previously provided, as the group companies subsequently did not require payment for the group relief surrendered.

There is again no interim dividend.

Regional Properties up to £0.96m at six months

STRUCK AFTER reduced interest payments of £220,000, against £360,000, pre-tax profits of Regional Properties have risen from £924,000 to £961,000 for the half year to September 30 1981. Gross income was lower at £1.18m, against £1.3m.

Tax took £500,000 (£480,000) giving a net balance of £461,000, compared with £444,000. Extraordinary credits increased from £121,000 to £1.51m after net interest of £723,000 (£332,000) on property development and tax credits, £576,000 (£173,000).

The net interim dividend is being stepped up from 0.75p to 0.8p per 25p share—last year's total payment was 2.2p on £1.67m pre-tax profits.

Construction work has commenced on the Great Western Centre, Ealing, with the group's financing arrangements having now been finalised. These have taken the form of a partnership between the company and the Norwich Union Insurance Group, which will be providing £20m to cover the development costs.

The company will participate in the partnership to the extent of some 40 per cent and at the same time retain its freehold interest.

SCOTTISH METRO. PROPERTY

Scottish Metropolitan Property is to exercise its right and acquire compulsorily the outstanding £379,880 9 per cent convertible loan stock 1992-96.

This follows the conversions of the stock into ordinary shares on December 31, which left only approximately 8.95 per cent of the original issue outstanding.

Sale of loss-maker aids recovery at Renwick

HELPED BY the sale of its freight business, a major source of losses, Renwick Group, now a subsidiary of Kaegra International Holdings, recovered from a pre-tax deficit of £239,000 to a profit of £345,000 for the half year to September 26, 1981.

Sales by this motor distributor, travel agent and fuel distributor, were down from £36.27m to £33.67m.

The company states that trading conditions remained difficult. Also exchange rate fluctuations and high interest rates are delaying any sustained recovery in the manufacturing companies. Again there is no interim dividend.

As the group's share of Western Fuel Company's profits for the nine months to its sale in January 1982, was recognised in agreeing a sale price of £4.13m, Renwick will not receive any further contribution from this concern.

Stated earnings per 25p share for the half year were 2.76p (loss 4.41p), after tax of £40,000 (£55,000).

In the comparative half year results freight business losses amounted to £516,000.

Kellock Trust rises to £340,000 for 1981

Turnover of recourse factoring group, Kellock Trust, increased from £46.95m to £52.69m for 1981 and pre-tax profits moved ahead to £340,298, compared with £306,825.

Tax charge increased from £3,090 to £93,093 and minorities took £53,758 (nil). But including extraordinary credits of £480,396 (£30,000 debits) the net available surplus was well up from £273,735 to £673,843.

The dividend for the year is being lifted from an equivalent 0.0625p, after adjusting for last year's subdivision, to 0.187p net per 5p share.

Following the Bank of Scotland's acquisition of 40 per cent of the company's interest in Kellock Factors, the company has substantial funds available which are surplus to foreseeable requirements.

The board therefore proposes to repay the 12½ per cent preference shares at par—the amount in issue being £880,000—by means of a capital reduction, thereby releasing all future profits for distribution as dividends to equity holders.

This will be subject to the consents of the different classes of shareholders and to approval by the courts.

In current cost terms, pre-tax profits for 1981 were lower at £126,700 (£159,200).

Continental & Ind. ahead

TAXABLE REVENUE of the Continental and Industrial Trust rose from £1.43m to £1.91m for the half year to November 30 1981.

The net interim dividend per 25p share, already announced, has been raised from 3.5p to 4p which absorbs £677,600 (£592,900). A total of 11p was paid last year.

The total revenue rose to £2.1m (£1.7m) and included income from dividends and interest of £2.07m (£1.69m) and underwriting commissions of £35,299, compared with £16,550 previously. Franked income slipped from £978,328 to £905,003 while unfranked income rose from £731,745 to £1.2m.

The total net assets of this investment trust at midyear taking investments at market value, stood at £68.61m, compared with £67.9m at the end of the 1981 financial year, equivalent to 351.3p (377p) per share.

Pre-tax revenue was struck after expenses and interest of £183,497 (£278,657). Tax took more at £796,037 (£529,075) leaving taxed revenue of £1.12m against £902,244.

Preference dividend took £19,250 (same) while net revenue available for ordinary shareholders rose from £882,994 to £1.1m.

DICKSON OF IPSWICH

Martin Page and Richard Agutter of chartered accountants Peat, Marwick, Mitchell and Co have been appointed Joint Receivers and Managers of Dickson of Ipswich.

Mr Page said that the company, a specialist in top quality reproduction furniture, had already laid off its 45 strong work force but that arrangements were being made whereby the company would continue to trade for a limited period.

ESPLEY-TYAS

Manston Development Company is 49 per cent owned by Espley-Tyas Property and is, therefore, not a subsidiary.

LONDON TRADED OPTIONS

Feb. 1 Total Contracts 1,400. Calls 1,122. Puts 278.

Option	Ex'rcise price	April Closing offer	Vol.	July Closing offer	Vol.	Oct. Closing offer	Vol.	Equity close
BP (c)	280	[illegible]						
BP (c)	300	[illegible]						
BP (c)	330	[illegible]						
BP (p)	280	[illegible]						
BP (p)	300	[illegible]						
BP (p)	330	[illegible]						
CU (c)	120	[illegible]						
CU (c)	130	[illegible]						
CU (c)	140	[illegible]						
Cons. Gld (c)	420	[illegible]						
Cons. Gld (c)	460	[illegible]						
Cons. Gld (c)	500	[illegible]						
Cons. Gld (c)	550	[illegible]						
Cons. Gld (p)	460	[illegible]						
Ctlds. (c)	50	[illegible]						
Ctlds. (c)	70	[illegible]						
Ctlds. (c)	80	[illegible]						
Ctlds. (c)	90	[illegible]						
GEC (c)	800	[illegible]						
GEC (c)	850	[illegible]						
GEC (p)	800	[illegible]						
GEC (p)	850	[illegible]						
Gr'd Met. (c)	160	[illegible]						
Gr'd Met. (c)	180	[illegible]						
Gr'd Met. (c)	200	[illegible]						
Gr'd Met. (c)	220	[illegible]						
Gr'd Met. (p)	180	[illegible]						
Gr'd Met. (p)	200	[illegible]						
Gr'd Met. (p)	220	[illegible]						
ICI (c)	280	[illegible]						
ICI (c)	300	[illegible]						
ICI (c)	330	[illegible]						
ICI (p)	300	[illegible]						
ICI (p)	330	[illegible]						
Land Sec. (c)	330	[illegible]						
Land Sec. (c)	360	[illegible]						
Mks & Sp. (c)	120	[illegible]						
Mks & Sp. (c)	130	[illegible]						
Mks & Sp. (c)	140	[illegible]						
Mks & Sp. (c)	160	[illegible]						
Shell (c)	330	[illegible]						
Shell (c)	360	[illegible]						
Shell (p)	330	[illegible]						
Shell (p)	360	[illegible]						
		February		May		August		
Barclays (c)	390	[illegible]						
Barclays (c)	420	[illegible]						
Barclays (c)	460	[illegible]						
Barclays (c)	500	[illegible]						
Barclays (p)	420	[illegible]						
Barclays (p)	460	[illegible]						
Barclays (p)	500	[illegible]						
Imperial (c)	70	[illegible]						
Imperial (c)	80	[illegible]						
Imperial (c)	90	[illegible]						
Imperial (p)	80	[illegible]						
Lasmo (c)	390	[illegible]						
Lasmo (c)	420	[illegible]						
Lasmo (c)	460	[illegible]						
Lonrho (c)	70	[illegible]						
Lonrho (c)	80	[illegible]						
Lonrho (c)	90	[illegible]						
Lonrho (c)	100	[illegible]						
Lonrho (p)	80	[illegible]						
Lonrho (p)	90	[illegible]						
P & O (c)	100	[illegible]						
P & O (c)	120	[illegible]						
P & O (c)	130	[illegible]						
P & O (c)	140	[illegible]						
P & O (c)	160	[illegible]						
P & O (p)	130	[illegible]						
Racal (c)	360	[illegible]						
Racal (c)	390	[illegible]						
Racal (c)	420	[illegible]						
Racal (c)	460	[illegible]						
Racal (p)	390	[illegible]						
Racal (p)	420	[illegible]						
Racal (p)	460	[illegible]						
RTZ (c)	420	[illegible]						
RTZ (c)	460	[illegible]						
RTZ (c)	500	[illegible]						
RTZ (c)	550	[illegible]						
RTZ (p)	420	[illegible]						
RTZ (p)	460	[illegible]						
RTZ (p)	500	[illegible]						
RTZ (p)	550	[illegible]						
Vaal Rfs. (c)	60	[illegible]						
Vaal Rfs (p)	70	[illegible]						

C=Call P=Put

EUROPEAN OPTIONS EXCHANGE

Series	Feb. Vol.	Last	May Vol.	Last	Aug. Vol.	Last	Stock
GOLD C $375	[illegible]						
GOLD C $400	[illegible]						
GOLD C $425	[illegible]						
GOLD C $450	[illegible]						
GOLD C $500	[illegible]						
GOLD P $375	[illegible]						
GOLD P $400	[illegible]						
12¼ NL 81 87-91							
C F.110	[illegible]						
12 NL 81 86-89							
C F.102.50	[illegible]						
10¼ NL 80 85-95							
C F.97.50	[illegible]						
C F.100	[illegible]						
P F.97.50	[illegible]						
	April		July		Oct.		
AKZO C F.22.50	[illegible]						
AKZO C F.25	[illegible]						
AKZO C F.27.50	[illegible]						
AKZO C F.30	[illegible]						
AKZO P F.25	[illegible]						
AKZO P F.27.50	[illegible]						
AMRO C F.50	[illegible]						
AMRO C F.55	[illegible]						
HEIN C F.50	[illegible]						
HEIN C F.55	[illegible]						
HOOG C F.15	[illegible]						
HOOG C F.17.50	[illegible]						
KLM C F.80	[illegible]						
KLM C F.90	[illegible]						
KLM C F.100	[illegible]						
KLM C F.110	[illegible]						
KLM C F.120	[illegible]						
KLM P F.80	[illegible]						
KLM P F.90	[illegible]						
KLM P F.100	[illegible]						
NEDL C F.130	[illegible]						
NEDL C F.140	[illegible]						
NEDL C F.150	[illegible]						
NEDL P F.130	[illegible]						
PHIL C F.20	[illegible]						
PHIL C F.22.50	[illegible]						
PHIL C F.25	[illegible]						
PHIL C F.27.50	[illegible]						
PHIL P F.20	[illegible]						
PHIL P F.22.50	[illegible]						
RD C F.80	43	6.90	—	—	—	—	F.84.60
RD C F.90	274	1.80	74		—	—	"
RD C F.100	20	0.50	25	1.20	—	—	"
RD P F.80	30	1.30 B	16	2.50	—	—	"
RD P F.90	—	—	15	6.80 B	—	—	"
UNIL C F.140	20	18.00 A	—	—	—	—	F.157.80
UNIL C F.160	43	3.70	6	5.50 A	—	—	"
UNIL P F.150	25	0.70	7	2 B	—	—	"

TOTAL VOLUME IN CONTRACTS: 3967

A=Asked B=Bid C=Call P=Put

SPAIN

January 29	Price %	+ or −
Banco Bilbao	336	−3
Banco Central	348	−4
Banco Exterior	315	
Banco Hispano	321	−4
Banco Ind. Cat.	116	
Banco Santander	356	−1
Banco Urquijo	220	+1
Banco Vizcaya	374	−3
Banco Zaragoza	233	−1
Dragados	158	−6
Espanola Zinc	60	
Fecsa	61	−1
Gal. Preciados	46	−2
Hidrola	64.5	−1.2
Iberduero	53	+1
Petroleos	99.2	−1.3
Petroliber	97	
Sogefisa	25.5	
Telefonica	72	+0.5
Union Elect.	65	−1.2

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1981-82 High	Low	Company	Price	Change	Gross div. (p)	Yield %	P/E Actual	P/E Fully taxed
123	100	ABI Hldgs. 10pc CULS	122	− 1	10.0	8.2	—	—
75	62	Airsprung	70	—	4.7	6.7	11.1	15.4
51	33	Armitage & Rhodes	46	—	4.3	9.6	3.8	8.5
205	187	Bardon Hill	205	—	9.7	4.7	10.0	12.1
104	80	Deborah Services	80	− 1	6.0	7.5	4.0	7.5
130	97	Frank Horsell	129	− 1	6.4	5.0	11.6	23.9
78	39	Frederick Parker	78	—	1.7	2.2	33.9	—
78	48	George Blair	50	—	—	—	—	—
102	93	IPC	95	—	7.3	7.7	6.8	10.3
105	100	Isis Conv. Pref.	105	—	15.7	15.0	—	—
113	95	Jackson Group	95	—	7.0	7.4	3.0	6.7
130	108	James Burrough	113	—	8.7	7.7	8.2	10.4
334	250	Robert Jenkins	250	− 2	31.3	12.5	3.5	8.8
59	51	Scruttons "A"	55	− 1	5.3	9.6	5.5	7.9
222	166	Torday & Carlisle	166	—	10.7	6.4	5.2	8.8
15	10	Twinlock Ord.	13	—	—	—	—	—
80	66	Twinlock 15pc ULS	76	—	15.0	19.7	—	—
44	27	Unilock Holdings	27	—	3.0	11.1	4.8	6.2
103	75	Walter Alexander	75	—	6.4	8.5	4.9	8.7
283	212	W. S. Yeates	218	—	13.1	6.0	4.1	8.4

Prices now available on Prestel page 48146.

CORAL INDEX

Close 570-575 (−7)

OIL INDEX

March Refined $37.15

Bunzl buys more U.S. businesses

Bunzl Pulp and Paper, the cigarette filter, paper, plastics and packaging group, is expanding its U.S. interests with two further acquisitions of industrial paper products distributors for a total of $5.6m (£3m).

Through its U.S. subsidiary, Bunzl Corporation, the group has acquired the capital of Palm Beach Paper Company in Florida, and the net assets of E. Greene and Company a division of Saxon Industries.

Palm Beach distributes disposable paper and plastic products for health care establishments, in-house catering, restaurants, hotels and general industrial outlets.

Greene, which is based in the borough of Queens, New York City, supplies paper and plastic products to the local food service industry, and the industrial and retail packaging industries.

The chairman said that the purchase of Greene is the second significant move in the group's plan to achieve a major share of the north east market, which started with the acquisition last April of Jersey Paper Company, a leading distributor of disposable paper and plastic products, for £2.5m.

Palm Beach and Greene had combined sales of $30m in the last financial year and profits before tax of $0.9m. Net assets amounted to $4.5m.

Bunzl says that, based upon projections for 1982, Bunzl Corporation sales in the industrial paper products market should reach almost $100m excluding further expected acquisitions.

Mr Ernest Beaumont, chairman of Bunzl, said that the acquisition of Palm Beach is the first step in the group's strategy to establish an important presence in Florida, the seventh largest state in the U.S. with a growth in population of over 40 per cent during the last 10 years.

Meanwhile Bunzl's Brazilian subsidiary has trebled its capacity for the manufacture of collapsible plastic tubes by the acquisition of the machinery and acquisition of the machinery and competitors in this field.

Reed pays £7m for St Regis Newspapers

Reed International is to pay £7m in cash for St Regis Newspapers, a division of St Regis International—the UK subsidiary of St Regis Paper of the U.S.

St Regis Newspapers publishes local newspapers which circulate in north-west England, south Yorkshire and Teesside.

Sales for the group in the year ended December 31 1981 were £11.8m and taxable profits were £815,000.

The consent of the Secretary of State for Trade will be sought under the Fair Trading Act 1973. The sale will be conditional on his approval.

Lilley's U.S. acquisition

F. J. C. Lilley, the civil engineering and building contracting group, has acquired 90 per cent of the capital of Harold Dessau Inc. of New York City for $3,170,000 (£1.7m) cash. The remaining 10 per cent of Dessau is owned by Mr Frederick Winseck, Dessau's chief executive.

Harold Dessau, and its subsidiary Harold Dessau International Inc., are engaged in the merchanting and supply of tools and equipment for the construction and oil industries in the U.S. and overseas. The Dessau companies operate from headquarters in New York, and a branch in Houston, Texas.

In the two years ended June 30, 1981, Dessau's profits before tax averaged $850,000 on sales of $11.5m and at that date net assets totalled $1.8m.

The acquisition—which is being done through Lilley's U.S. offshoot—further extends Lilley's interest in the U.S.

Croda repeats bid rejection

Croda International, the speciality chemicals group, has responded to a second bid letter sent to its shareholders last Thursday by Burmah Oil. Sir Freddie Wood, Croda's chairman, has again strongly advised them not to sell their shares to Burmah, which is offering 70p and 48p each for the ordinary and deferred shares respectively. The first closing date of the offer is this Thursday, February 3.

Croda's ordinary and deferred closed last night at 72p (unchanged) and 49p (down 1p). Burmah's shares were 108p, down 3p.

Sir Freddie, who board is being advised by S. G. Warburg, repeats the charge that Burmah's financial position "appears dangerously overstretched." He also observes "a remarkable lack of financial awareness" in Burmah's suggestion that it is offering a high exit p/e.

The Burmah bid offers a fully taxed p/e of more than 15 on the basis of Croda's own 1981 profit estimate. The chairman's letter compares this with p/e ratios of 18 to 24.9 on four other chemical stocks.

J. Henry Schroder Wagg, advisers to Burmah, said at least two of these stocks represented companies with "a miles better record than Croda." The bank said it was "very surprised indeed" to see Sir Freddie claiming that Croda's performance would sustain the company's share price at the present bid level. The timing of this letter, said Schroders, was "a slight sign of panic."

Sir Freddie's claim about Croda's share price is based on information about the company's 1982 prospects which he says will be given to shareholders in good time along with a dividends forecast for the year.

An extraordinary general meeting of Burmah shareholders to approve the bid will be held in Glasgow tomorrow.

BROWN & TAWSE

Brown and Tawse, steel and tube stockholders and processors, has bought Herbert Dyson (Stainless) from Amari World Steel for £645,000 cash.

Dyson is a leading UK distributor of stainless steel seamless pipe and tube.

Hays in £5.6m agreed bid for Leadenhall Sterling

Hays Group, the property chemicals and distribution group which is owned by the Kuwait Investment Office, is making an agreed £5.6m bid for Leadenhall Sterling an industrial subsidiary of Bricomin Investments—part of the British and Commonwealth Shipping group.

Hays—formerly the Proprietors of Hays Wharf—is offering 125p cash for each Leadenhall share. This has been accepted by Bricomin in respect of 79.3 per cent of the shares and also by the Leadenhall board in respect of their 11.1 per cent holdings.

The offer compares with a price of 65p at which the shares were suspended on January 22. As dealings resumed yesterday the shares jumped 55p to 120p, after being up to 125p.

Leadenhall's main activities are the manufacture of forklift trucks and paper converting machines, and the manufacture and distribution of medical optical and electronic equipment.

Pre-tax profits of Leadenhall in the year 1980 fell from £985,000 to £727,000 in the first half of 1981 there was a further reduction from £460,000 to £107,000.

Leadenhall has said that although profits in the second six months should show an improvement, profits for the year as a whole "would fall some way short" of that achieved in 1980.

Hays—which is being advised by Barclays Merchant Bank—says it intends to continue and develop the main businesses of Leadenhall and to safeguard the interests of employees. Leadenhall is being advised by Charterhouse Japhet.

Benlox buying Bigwood

Formal contracts have now been exchanged for the purchase by Benlox Holdings of Joshua Bigwood and Son from Maurice James Industries for £370,000 in cash.

Audited results of Bigwood for the 53 weeks ended January 3 1981 showed a net profit of £37,000 from sales of £3.15m. Maurice James believes that Bigwood's trading losses for the 52 weeks to January 2 1982, after all expenses, will not exceed £100,000. The Benlox board considers that Bigwood will return to profits in the current year.

Net tangible assets of Bigwood as at January 3 1981 were £912,000. Since then Bigwood has paid a dividend to James of £120,000 for the 52 weeks ended January 2 1982. As at that date, there was an inter-company loan between Bigwood and James of £200,000 and this will be paid during the two years following completion.

Benlox has also contracted to purchase the investments held by Maurice James in Tranwood Group and Bensons Hosiery (Holdings). The consideration for these investments will be £15,000 upon completion and £250,000 on April 30, 1983.

Tranwood is a publicly quoted company which owns 50.95 per cent of Bensons, whose trading subsidiaries, Bear Brand Hosiery and Bensons Bear Brand, are involved in the manufacture and distribution of hosiery and associated products.

The value of the investments in the last published accounts of James including accrued share of profits, for the year ended December 31, 1980, amounted to £327,000. Total contribution to Group profits for that year amounted to £87,000, including interest on an unsecured loan to Tranwood which is to be repaid on completion.

The board of Benlox considers that the acquisitions of Bigwood and the investments in Tranwood and Bensons will form a substantial base for its expansion into manufacturing activities in line with the company's stated policy outlined in December, 1980 in the rights issue document.

Boddingtons' £6.2m estimate

Boddingtons' Breweries has published its formal offer document in connection with the agreed £23m bid for Oldham Brewery. The bidder has estimated that profits in 1981 rose from £5.35m to £6.2m before tax. Its final dividend is to be lifted from 1.6p to 1.9p per share to make a net total of 3.5p per share. Accepting Oldham shareholders will receive the final distribution.

In a letter to his own shareholders, Mr A. H. J. Brook, the chairman of Oldham, states that the brewery group has suffered a further slight fall in volume during the second half of the year to January 31. But a price increase at the end of last August has to some extent compensated for the fall and for the effect of inflation on operating costs. Profits for the year will be not less than £1.65m, down from £1.77m.

REYNOLDS BOUGHTON

Reynolds Boughton—part of the privately owned Buckinghamshire based Boughton Engineering Group—has acquired the manufacturing rights, designs and equipment of Fergusson Tankers from Watham Stringer.

The Fergusson range complements the activities of Reynolds Boughton in the specialist vehicle body building and equipment field.

Reed Stenhouse pays £8m for New York broker

THE GLASGOW-BASED insurance broking company Stenhouse Holdings, has announced a strengthening of its U.S. operations through its principal subsidiary Reed Stenhouse Companies acquiring the New York-based broking firm of Schiff Terhune International Inc. for $15m (£7.98m).

Consideration will take the form of 80 per cent in cash and the balance in the "A" shares of Reed Stenhouse.

Reed Stenhouse has been developing its U.S. operations since 1974 and its brokerage is now running at $30m a year. Schiff Terhune is expected to have a revenue of $15m in 1981 and pre-tax profits of $1.2m. The company's tangible assets should be not less than $2m.

Schiff Terhune is a substantial New-York based insurance and reinsurance broker, with branches in Philadelphia, Boston, Los Angeles, Milwaukee and Tampa. It deals mainly in commercial lines, property and casualty business.

This acquisition will strengthen Reed Stenhouse's New York operations, where it is important to be strongly represented, New York being the largest centre of the U.S. insurance market.

Following the acquisition, Stenhouse's equity holding in Reed Stenhouse will be reduced from 53.7 per cent to 52.5 per cent.

TSB TRUST

TSB Trust Company has acquired the insurance broking company, UDT Insurance Services from United Dominions Trust, which is now a member of the TSB Group.

The company has been renamed TSB Insurance Brokers and will provide insurance broking support to the TSB Group.

SHARE STAKES

C. H. Beazer (Holdings)—Prudential Assurance's holding of 500,000 ordinary now represents less than 5 per cent of the capital.

Berwick Timpo—Caparo group sold 45,000 ordinary and now holds 279,000 (4.96 per cent). Jove Investment Trust sold 25,000 ordinary and now holds 425,000 (7.6 per cent).

Rosehaugh Company—McLeod Russel disposed of its holding of 356,412 ordinary shares on January 27.

Higsons Brewery—The Westminster (Liverpool) Trust sold 47,000 ordinary. Mr D. B. Corlett, Mr G. L. Corlett and Mr P. N. Corlett sold 47,000 ordinary.

W. Tyzack Sons and Turner—Record Ridgway, wholly owned subsidiary of AB Bahco of Sweden, has purchased 17,500 ordinary shares and now holds 460,000 (25.6 per cent). R. D. Young holds 94,000 ordinary (5.45 per cent).

CHARTERHOUSE GRP ACQUISITION

Charterhouse Group has acquired Electrolok Company (Security) and Autolok Manufacturing Company from Mr and Mrs C. H. Goddard, who founded the businesses four years ago.

Electrolok and Autolok, which are based in Cheshire, specialise in installing and servicing electrical locking security systems for commercial premises including banks.

The initial consideration of £250,000 is being satisfied by by the issue of 301,204 ordinary shares. In addition Charterhouse will pay the vendors in respect of each of the next three years cash equivalent to half the amount by which the combined net annual pre-tax profit of Electrolok and Autolok exceed £70,000. For the year to June 30 1981 it was £77,000.

WATSON & PHILIP

Watson and Philip has sold its 75 per cent holding in Scott's Self-Drive Hire for £20,000.

KWIK SAVE

The £12.28m rights issue by Kwik Save Discount Group has been taken up as to 98.57 per cent. The balance has been sold in the market at a premium.

Lower metal prices put Falconbridge in the red

BY GEORGE MILLING-STANLEY

FIGURES FOR 1981 from several leading Canadian mining companies demonstrate how badly the companies were hit by the worldwide economic recession.

At Falconbridge Nickel, Canada's second biggest nickel producer behind Inco, an operating loss of C$21.1m (£9.5m) in the fourth quarter wiped out the profit of C$17.2m earned over the first nine months, to give the company an operating loss of C$3.9m for the full year.

The loss per share was 78 cents. The latest results compare with a profit of C$71.4m or C$13.04 a share in 1980.

The erosion of Falconbridge's profitability accelerated with each quarter that passed last year. The company returned profits of C$8.7m in the first quarter, C$7.9m in the second and C$600,000 in the third, before lower average prices and higher production costs pushed it into the red in the final three months.

Cominco, the 54 per cent-owned metals and chemicals arm of the Canadian Pacific Group, saw its profits slide by 59 per cent last year to C$70.3m, following a 76 per cent decline in the fourth quarter to C$11.1m.

The main reason for the decline over the full year was a drop to C$68.5m from C$210.1m in the operating earnings of the mining and integrated metals division. This was largely due to lower sales revenues from lead, silver, gold and electric power sales, coupled with higher operating costs.

Cominco's other divisions reported higher earnings, but the associated companies Fording Coal and Aberfoyle contributed some C$10m less than in 1980.

In the final quarter of last year, Cominco reduced its quarterly dividend to 50 cents a share, after paying C$1.10 for each of the previous seven quarters.

The company's 69 per cent-owned Pine Point Mines, a zinc-lead producer in the Northwest Territories, suffered a fall of 12 per cent in net profits for the year to C$22.4m.

Operating costs were considerable higher, exacerbated by difficult mining conditions and a falling ore grade, but the mine can take comfort from the fact that its exploration efforts found enough ore to replace that mined during the year.

The total of 3.6m tons includes a new orebody 12 miles west of the concentrator, which is reported to contain about 1m tons of combined lead and zinc.

Cominco's 63 per cent-owned Vestgron Mines, a zinc-lead producer in Greenland, saw profits fall by one-third to C$7.8m.

Sherritt Gordon Mines, which produces copper, zinc, nickel, cobalt, gold and silver, had one of the worst years in its history, with operating profits down 90 per cent to C$2.79m.

Write-offs in connection with the decision to reduce operating levels at the Fox and Ruttan mines, plus the withdrawal from PT Pacific Nickel Indonesia, produced a loss at the net level of C$8.3m.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Cowan De Groot, Gold Fields of South Africa, Unitech, Zetters.
Finals: I.D.C., Prestige.

FUTURE DATES

Interims—	
Ashley Industrial Trust	Feb 10
Christie-Tyler	Feb 11
Finals—	
British American & Gen. Trust	Feb 5
English and New York Trust	Feb 3
Hongkong & Shanghai Banking	Mar. 9
Kennedy Brookes	Feb 19
Pentland Investment Trust	Feb 16
Renown Inc.	Feb 12

Gopeng tin lease deal will give Perak 30% of shares at 25p

THE Perak State Government, via Perak State Development Corporation of Malaysia (PSDC), is to acquire 30 per cent of London's Gopeng Consolidated by the purchase of 1.71m new 25p shares at par, a consideration of some £427,270. In London yesterday the shares fell 70p to 560p; they have been the subject of strong speculative demand in the past few weeks.

Furthermore Gopeng, which produces tin and rubber in Malaysia, will pay PSDC M$1.25m cash (£298,150) for the replacement of the company's expired and current mining leases by new mining leases valid for 10 years.

Gopeng will also get approval for the conversion to mining use, certain agricultural land titles, application in respect of which has been already made.

PSDC has also offered to assist in the obtaining of the new leases and titles and further to assist Gopeng in future applications for mining land in Perak.

Gopeng comments that the deal is in the long term interests of shareholders because without the replacement of existing mining leases the company's mining operations would be severely curtailed and could cease within a comparatively short time.

The agreement is conditional on shareholder approval, a listing being obtained for the new shares in London and Kuala Lumpur and on the consents of the Foreign Investment Committee and Capital Issues Committee of the Malaysian Government. Exemption is to be obtained from the City Panel from the provisions of Rule 34 of the City Code.

Wong Sulong reports from Kuala Lumpur that it is expected that PSDC will eventually gain effective control of Gopeng through the injection of the State company's other mining and commercial interests such as property development and logging.

As a result of the latest proposals the holding in Gopeng of Straits Trading will fall to 11.6 per cent from 16.5 per cent; that of Multi-Purpose Holdings (recently floated by Malaysian Chinese Associated) will go to 9 per cent from 13 per cent; and the holding of Tronoh Mines will decline to 6.8 per cent from 10 per cent.

See Lex

Low nickel price hits Metals Exploration

NET PROFITS of Australia's Metals Exploration for the half-year to end-December 1981 fell to A$822,000 (£489,000), against A$1.08m last time, largely as a result of the lower nickel price over the past six months.

Nevertheless, the figure is a slight improvement over the A$790,000 recorded for the second half of the last financial year

The results exclude the unconsolidated Metals Exploration Queensland, which has a 50 per cent interest in the Greenvale nickel-cobalt operation. The lower metal prices increased this venture's net loss to A$6.49m, compared with A$1.54m in the corresponding six months.

At the parent company's Nepean nickel mine in Western Australia, a heavy media separation plant is due to be comissioned in April, and Metals has decided to introduce mechanised mining methods below the 12 level to take advantage of a change in the configuration of the orebody.

Metals also announced that it has begun processing acceptances for its partial bid for the gold-producing North Kalgurli Mines. Holders of 28.55 per cent of the capital have accepted the company's A$1.50 cash offer for a further 15 per cent of the shares, which will bring Metals holding to 35 per cent.

Metals estimates that about half of each holding tendered will be transferred at the A$1.50 price.

REYNOLDS LIFTS AJMAN STAKE

The U.S.-based Reynolds Diversified Corporation has increased its working interest in the Ajman oil and gas concession in the United Arab Emirates to 17.45 per cent by the purchase of a further 15.75 per cent for a consideration of $5.4m (£2.87m) plus an issue of 47m Reynolds shares.

Gulf Consolidated Service Industries, an associate of Landoil Resources Corporation of the Philippines, recently farmed in on the Ajman concession by agreeing to meet US$20.3m of exploration costs to earn a 54.263 per cent interest.

Reynolds also announces that it is negotiating for respective interests of 50 per cent and 51 per cent in two income producing gold mines in Western Australia in return for a capital injection of around A$1.4m (£810,000).

COMPANY NEWS IN BRIEF

NOTTINGHAM BRICK COMPANY (facing and engineering brick manufacturer)—Results for the year ended September 30 1981 reported December 18. Shareholders' funds £4.55m (£4.39m). Fixed assets £4.57m (£4.74m); current assets £1.79m (£1.53m); current liabilities £2.19m (£1.8m). Decrease in cash balances £115,011 (£22,236 increase). Meeting: Nottingham, Feb 18, 11 am.

McCORQUODALE AND COMPANY (specialised printer)—Results for the year to September 30 1981 reported January 7. Shareholders' funds £30.32m (£28.48m). Fixed assets £23.12m (£21.21m); net current assets £11.78m (£12.65m). Decrease in liquid funds £542,000 (£2.06m). Meeting: 116 Pall Mall, SW, February 17, 3 pm.

UNITED SPRING AND STEEL GROUP (spring maker and steel stockholder and processor)—Results for year to September 30 1981 with prospects reported December 15. Group shareholders' funds £8.18m (£8.33m). Fixed assets £6.45m (£4.1m). Net current assets £3.8m (£4.37m). Working capital decrease £1.1m (£34,000). Meeting: Birmingham, February 18.

ARTHUR LEE AND SONS (steel and wire rope maker)—Results for the year to September 30, 1981, reported. Shareholders' funds £19.93m (£18.58m). Fixed assets £8.22m (£8.98m); current assets £28.16m (£32.08m); current liabilities £16.15m (£20.03m); bank overdrafts £13.02m (£13.9m), including bank overdrafts £2.7m (£4.83m). Management accounts show group is now trading profitably. Meeting: Sheffield, February 19, 12.30 pm.

BURCO DEAN (manufacturer of domestic appliances, kitchen equipment, security systems, diecasting and plastic mouldings)—Results for year to September 30 1981 reported on December 11. Shareholders' funds £7.67m (£7.41m); current assets £11.37m (£11.51m), including bank balances and cash £667,000 (£13,000); net current assets £6.72m (£6.68m); increase in net bank balances £1.84m (£65,000). Meeting: Great Eastern Hotel, Liverpool Street, EC, February 23, at noon.

RAEBURN INVESTMENT TRUST—Results for year ended November 30, 1981, reported January 16. Net asset value per share 224.5p (215.1p). Investments £59.79m (£60.93m), net current assets £4.23m (£314,567). Meeting: 21, Moorfields, EC, February 19, 2.30 pm.

TRANS-OCEANIC TRUST—Results for year to October 31, 1981, already known. Ordinary shareholders' equity £40.09m (£35.93m). Listed investments £37.65m (£34.8m); unlisted £2.95m (£2.12m). Net current assets £1.09m (£2.51m). Decrease in net liquid funds £50,000 (£74,000 increase). Meeting: 120 Cheapside, EC, February 16.

T. COWIE (motor vehicle dealer, coach and travel)—Results for year to September 30 1981 reported on December 17. Shareholders' funds £10.98m (£9.81m). Fixed assets £18.7m (£23.83m), including stocks £12.93m; net current assets £4.08m (£4.88m). Chairman says that given an improvement in the economic climate, he is confident group will return to healthier levels of profitability. As a result of closures, group has land and building at a current book value of £1.7m on the market. Compensation of £72,000 to former director for loss of office. Meeting: Sunderland, February 25, at noon.

GROUP INVESTORS (investment trust)—Results for the half year to December 31 1981: interim dividend 1.1p (1.1p); gross revenue £283,329 (£276,895); UK taxation £83,701 (£77,694). Amount absorbed by interim dividend £76,215 (same). Earnings per share 1.57p (1.77p); total assets, less current liabilities £10.15m (£10.98m); net asset value after deducting prior charges at par 131.7p (139.6p).

J. F. NASH SECURITIES (packaging, engineering, construction)—Results for year to September 30 1981 reported December 31. Group shareholders' funds £2.69m (£2.4m). Fixed assets £2.03m (£2.38m). Net current assets £1.16m (£0.88m) including short term borrowings £0.28m (£1.24m). Loans reported £0.61m (£1.43m). Working capital down £881,000 (up £15,000). Current cost pre-tax profit £390,000. Chairman expects another difficult year in 1982 but adds that there is no reason why the group should not do well. Meeting, Birmingham, February 24 at noon.

CRONITE GROUP (design and manufacture of high nickel alloy castings and fabrications)—Results for year to September 30 1981 with prospects reported December 23. Current cost pre-tax losses £211,000 (£119,000) against historical £131,000 (£26,000). Group shareholders funds £2.11m (£2.71m). Net current assets £661,000 (£678,000). Fixed assets £1.84m (£1.63m). At December 31, Ward Securities was beneficially interested in 15 per cent of issued ordinary shares, and Mr K. F. Ward, group chairman, in 5.8 per cent. Meeting: Birmingham, February 23, 11 am.

ASSOCIATED PAPER INDUSTRIES—Results for 53 weeks ended October 3 1981 reported January 22. Group profit before tax £984,930 (£352,080) becomes loss £1,000 (£583,000) on CCA basis. Chairman says balance sheet at October 3 shows marked improvement in financial position. Net current assets rose by 50 per cent and short-term borrowings net of cash, more than halved. Total borrowings declined from 38 per cent of shareholders' funds to 28 per cent. Since end of year they have fallen further and are now at a "comfortable level" and carry an average interest rate "well below" current levels. Shareholders' funds at £10.1m represent 67.1p per ordinary share. Current year has started well, the chairman says. Meeting, Howard Hotel, Temple Place, W.C., March 4 at 12.30 pm.

SPENCER CLARK METAL INDUSTRIES—Results for year ended September 30 1981, reported December 22, 1981. Shareholders' funds £2.22m (£2.39m). Net current assets £1.87m (£2.02m). Cancellation of director's service agreement £17,051. Meeting, Birmingham, February 25 at noon.

WATSON AND PHILIP (food distribution)—Results for year to October 30, 1981 reported December 31. Shareholders' funds £4.7m (£4.35m). Net current assets £2.42m (£2.52m). Net liquid funds increased £228,000 (£386,000 decrease). Meeting, Dundee, February 25.

INTERNATIONAL COMPANIES and FINANCE

Anglo American in Francana assets deal

By Robert Gibbens in Montreal

THE Anglo American group is reorganising its Canadian oil and gas interests after reaching agreement for Sceptre Resources of Calgary to take on the domestic assets of its Francana Oil and Gas.

As part of the deal Hudson Bay Mining and Smelting and Minorco Canada, both Anglo offshoots, will take over the non-Canadian interests of Francana in exchange for the 75 per cent stake in Francana owned by the two.

They will also assume C$68m (US$57m) in debt from Francana.

As Sceptre is majority Canadian owned, it will be able to take advantage of the tax incentives for domestic Canadian exploration groups, thus being able to make better use of the Canadian exploration and production areas of Francana. These are mainly in Alberta, Saskatchewan and British Columbia as well as the Beaufort Sea.

The new grouping of Francana and Sceptre will have established production areas which are expected to generate a future cash flow of about C$1.55bn as well as almost 1m net acres of exploration areas in Canada, more than 300,000 acres in the U.S. and 1.7m acres elsewhere.

Sceptre, usually along with its 44 per cent owned Candecca Resources of the UK, has interests in the North Sea as well as onshore in the UK.

Francana's non-Canadian assets to be taken on by the Anglo group, include 57 per cent of Trend International, a world-ranging development group with U.S. oil interests, and a 28 per cent stake in Adobe Oil and Gas of the U.S. which was acquired from Amax last year for U.S.$140.3m.

Sceptre will be extending an offer to the minority shareholders in Francana on the basis of an exchange of 2.15 Sceptre shares for each of the 3.4m Francana shares held outside the Anglo group. Sceptre shares have been trading at around C$11 recently.

The reorganisation is dependent on the deals not being subject to Canadian income tax and follows an unsuccessful plan for Hudson Bay to take over the minority Francana shareholdings last year.

United Technologies ahead despite final quarter dip

BY PAUL BETTS IN NEW YORK

UNITED TECHNOLOGIES, the large diversified high technology conglomerate, yesterday reported higher sales and earnings for last year, despite lower profits in the fourth quarter compared with the final period of 1980.

The company's net earnings increased 16 per cent to $457.7m last year compared with $393.4m in 1980. Sales rose 11 per cent to $13.7bn.

In the fourth quarter, earnings declined to $97.5m from $102.5m. Fourth quarter sales totalled $3.51bn compared with $3.55bn in the same period the year before. Per share profits of $1.51 against $1.89 took the annual total to $7.71 compared with $7.28.

The company's order backlog at the end of last year totalled $11.7bn, up from $11.4bn.

The company said adoption of the new financial accounting standard for foreign currency translation eliminated $43m that would have been charged against earnings last year under the old system.

The company's sales to the U.S. Government were sharply up by 39 per cent last year to $3.85bn, while commercial and industrial sales, which account for 72 per cent of total revenues, were up only 3 per cent to $9.82bn last year.

Mr Harry Gray, chairman of the conglomerate which includes Pratt and Whitney aero engines, the Otis Elevators and Carrier air conditioning, said the company's diversification strategy had "withstood the test of economic difficulties that have beset America and its trading partners in recent years." He said "many of the corporation's businesses are cyclical but the cycles have tended to be staggered because of United Technologies' involvement across a span of industries and its growing participation in overseas markets."

Weakness in commercial airline orders for engines and spare parts, over-capacity and price erosion in the semiconductor industry—it owns Mostek—and further softness in already depressed levels of car and construction markets, were the reasons he gave for the lower earnings in the final period of last year.

He added that he expected difficult economic conditions to persist this year.

Currency loss hits Allied Corporation

BY Our New York Staff

ALLIED CORPORATION, the large diversified U.S. chemicals and energy company, reported yesterday a 28 per cent decline in its fourth quarter 1981 earnings compared with the same period the previous year.

But although net earnings dropped from $82m to $59m, or from $2.37 to $1.29 a share in the period, operating income was higher. The decline in the final period was the result of a non-recurring provision and a foreign currency translation loss which combined to reduce net income by $43m.

In the fourth quarter, Allied made an after-tax write-off of $33m to cover the closing and disposal of an unprofitable fertiliser plant. Foreign currency translation losses in the quarter totalled $10m.

Net income for the whole of 1981 showed a 20 per cent increase to $348m or $9.17 a share from $289m or $8.15 a share in 1980. Sales totalled $6.4bn compared with $5.5bn previously, with the fourth quarter contributing $1.7bn in 1981 against $1.4bn previously.

The directors forecast capital spending of about $700m in 1982. Capital spending rose to $609m last year from $533m previously. Allied spent an additional $189m in 1981, up from $120m in 1980, on oil and gas exploration.

Research and development spending rose 45 per cent to $152m in 1981 and is expected to total $200m this year.

GMAC returns to bond market with $150m offer

BY ALAN FRIEDMAN

GENERAL MOTORS Acceptance Corporation (GMAC) is back in the Eurodollar bond market again with a $150m six-year offering through Morgan Stanley. GMAC's latest bonds carry a 16 per cent coupon and a price of par.

The borrower was recently in the market with $400m worth of zero coupon bonds. Morgan Stanley last managed a straight over a year ago for GMAC in October, when the company sold $300m of 16¼ per cent paper. Although the borrower is making heavy use of the Euromarket, the current paper will probably sell simply because of the shortage of fixed-interest bonds on offer.

Yesterday's other repeat borrower was Gaz de France, which appeared with a second $150m zero coupon bond offer in less than a week. The new paper carries a longer maturity than the earlier issue (12 years against 10), and a steeper discount (19.85 per cent against 25.82 per cent).

The yield comes to 14.42 per cent and the lead-manager is again Crédit Commercial de France. If this issue's performance is like the first's, a sizeable portion will go to European rather than Japanese investors.

Meanwhile, an unusual offer is out for Japan Airlines through Daiwa and Morgan Guaranty. The airline is offering Y8.6bn ($37.5m) of five-year notes with an indicated 7½ per cent coupon. The bonds will be guaranteed by the Japanese Government and this should ensure their success. There is also a dollar-yen linkage which provides for payment of interest in dollars.

As expected, two convertibles were launched for Honda Motor and Okumura, the construction group. The $80m of Honda paper carries an indicated 5½ per cent coupon and is managed by Nomura and Merrill Lynch.

The $30m of Okumura bonds bear a 5¼ per cent indicated coupon. Daiwa is lead-manager. Both offers are for 15 years.

As the Eurodollar bond market closed ¼ point down last night, CSFB was reported to be working on another zero coupon bond for Pepsico. The borrower offered $100m (nominal value) of paper last month at a price of 26 per cent.

The Eurodollar sector did not react nearly as violently as the New York bond market to Friday's disappointing U.S. money supply figures. This was partly a result of dealers covering short positions yesterday, but it was also an example of how thick-skinned the market is becoming towards bad U.S. financial news.

Despite the heavy Treasury auction expected later this week, some traders are already anticipating an early recovery in bond prices.

Euro D-Mark and Swiss franc foreign bond prices closed slightly lower last night as the dollar strengthened against the two currencies.

The Province of Quebec surprised no-one with a DM 150m 10-year offer carrying a 10 per cent coupon. Commerzbank is lead-manager.

Downturn at Texas Instruments

BY RODERICK ORAM IN NEW YORK

EARNINGS OF Texas Instruments, the major U.S. maker of semiconductors and related products, remain deeply depressed by weak demand, intense competition and sharp price cutting. Fourth quarter net income fell 32 per cent to $36.7m, or $1.56 a share, on sales down 3 per cent to $1.05bn. It was, however, the best quarterly profit of the year.

This brought the full year net profit to $108.5m, or $4.62 a share, down 49 per cent from a year earlier. Sales rose 3 per cent to $4.2bn.

Pre-tax profits fell to 4.2 per cent of sales from 6.2 per cent in the second quarter and 9.3 per cent for the 1980 full year results, indicating the pressures on the company.

The main factors in the decline were "adverse" results from semiconductors and distributed computing equipment and the appreciation of the dollar against some foreign currencies.

Semiconductors were hit by pricing pressures reflecting weak demand and excess capacity and start-up costs of new products. Like its competitors, TI has tried to maintain its research and development spending to boost sales with new products. R and D expenditure increased 16 per cent last year to $219m while capital spending fell to $350m from $548m.

The company introduced 300 semiconductor products last year. Demand for its 64K-bit random access memory, its most advanced mass product, grew strongly and TI now has nearly 400 customers for it.

TI's total order backlog stood at $2.35bn at December 31, up $280m from a year earlier and up $178m from the third quarter.

Pre-tax profits of $175m in 1981, against $379m in 1980, included the $36.6m cost of cutting 3 per cent of the company's workforce during the year and phasing out some products, such as bubble memories.

TI said it saw little prospect of a major improvement in its overall results this year.

Scandinavian Bank lifts pre-tax profit by 11%

BY WILLIAM HALL, BANKING CORRESPONDENT

SCANDINAVIAN Bank, the first of the big London consortium banks to report its 1981 results, increased its pre-tax profits for 1981 by 11 per cent to £11.4m (£21.4m).

The bank's balance sheet grew by 9.8 per cent to £1.4bn. Medium term lending (loans of over a year) grew by 4.3 per cent to £438.4m and outstanding acceptances grew by 45 per cent to £72.8m. Shareholders funds rose by over a fifth, to £59.7m, helped by the release of part of the deferred tax provision. The group is paying an unchanged dividend of 8 per cent (£2.42m) to its seven shareholders.

The group opened an international branch in Los Angeles in mid-January and now has full banking operations in North America, Middle East and Europe. During the last year the bank established a forfaiting operation and formed a forest industry department.

The bank was recently added to the list of eligible banks whose bills of exchange the Bank of England is prepared to buy for cash as part of its daily money market operations. It estimates that roughly 70 per cent of lending is to Nordic countries and the UK.

Swiss Paribas rights issue

By John Wicks in Zurich

PARIBAS (SUISSE), is to raise its capital from SwFr 150m to SwFr 270m by a one-for-two rights issue of Bearer shares. An extraordinary meeting to approve the move will be held "as soon as possible."

Paribas (Suisse), which is owned by the Swiss holding company Pargesa, says it wants to carry out the capital increase before its annual meeting in April. The new funds are needed in connection with capital ratios following the expansion of the bank's balance sheet from some SwFr 3.2bn at end 1980 to more than SwFr 4bn at the end of last year.

Schering-Plough earnings slide

BY OUR FINANCIAL STAFF

EARNINGS have fallen for the third consecutive quarter at Schering-Plough, the ethical and proprietary drugs group, ending a decade of uninterrupted growth.

Fourth-quarter profits were $30.5m or 66 cents a share, a drop of almost 15 per cent from 1980's comparative $41.2m or 76 cents a share. Annual earnings were almost one-quarter lower at $179.3m or $3.31 a share compared with $237.1m or $4.41 a share in 1980.

Revenues in the final period were unchanged at $411.6m, raising the annual total some 4 per cent from $1.74bn to $1.81bn.

The latest year's results include foreign exchange losses of $21.6m before tax against $3.9m in 1980. The directors state that if currency exchange rates used to translate foreign subsidiaries' results had been the same as those used in 1980, fourth-quarter sales would have been about $36.3m higher and yearly revenues about $102.9m higher than previous corresponding returns. Earnings for the final three months and year would have been higher by 17 cents a share and 76 cents a share respectively.

The group, which also produces toiletries and household products, said the latest figures also reflect a $14m pre-tax provision for losses from the decision to discontinue the unprofitable adhesive tape business and certain components of the company's footwear operations.

Airline defers dividend

By Our Financial Staff

WESTERN AIR LINES has deferred quarterly dividend payments on its preferred shares in a move which will save the company $600,000 and prevent it from defaulting on loan agreements.

The move came as the Civil Aeronautics Board approved Air Florida's plan to take over Western. Air Florida holds 12.6 per cent of the loss-making carriers common shares and plans to operate the two as independent airlines for the time being, thus avoiding the need for a Presidential Review of the CAB decision.

The deferral of the 50 cent a share dividend, due to be paid at the end of March, is the first since the shares were issued in September 1977. The company suspended dividends on its common shares in September 1980.

NORTH AMERICAN QUARTERLY RESULTS

AMERADA HESS

	1981	1980
Fourth quarter	$	$
Revenue	2.34bn	2.25bn
Net profits	48.2m	106.6m
Net per share	0.58	1.27
12 months		
Revenue	9.44bn	7.96bn
Net profits	212.8m	540.2m
Net per share	2.53	6.44

ARIZONA PUBLIC SERVICE

	1981	1980
Fourth quarter	$	$
Revenue	226.5m	185.2m
Net profits	50.89m	33.24m
Net per share	0.93	0.70
Year		
Revenue	888.2m	765.8m
Net profits	170.6m	118.2m
Net per share	3.26	2.75

ARMSTRONG RUBBER

	1981-82	1980-81
First quarter	$	$
Revenue	152.9m	109.8m
Net profits	4.45m	4.02m
Net per share	2.25	2.22

AVCO

	1981	1980
Fourth quarter	$	$
Revenue	641.3m	554.2m
Net loss	3.2m	*29.5m
Loss per share	0.22	*1.61
12 months		
Revenue	2.3bn	2.1bn
Net profits	70m	114.9m
Net per share	3.14	6.34

*Profit

AVERY INTERNATIONAL

	1981	1980
Fourth quarter	$	$
Revenue	165.8m	162m
Net profits	6.8m	7m
Net per share	0.76	0.78
12 months		
Revenue	628m	618.7m
Net profits	26.5m	27.4m
Net per share	2.95	2.38

AVNET

	1981	1980
Fourth quarter	$	$
Revenue	267.8m	260.6m
Net per share	0.81	0.86
12 months		
Revenue	532.7m	527.5m
Net profits	29m	31.6m
Net per share	1.66	1.81

CITY INVESTING

	1981	1980
Fourth quarter	$	$
Revenue	1.5bn	1.39bn
Net profits	23.55m	21.76m
Net per share	0.66	0.62
Year		
Revenue	5.8bn	5.39bn
Net per share	3.53	3.66

CLEVELAND-CLIFFS IRON

	1981	1980
Fourth quarter	$	$
Revenue	98m	137m
Net per share	0.10	1.97
Year		
Revenue	412.5m	403.7m
Net profits	45.2m	50.2m
Net per share	3.66	4.12

COX BROADCASTING

	1981	1980
Fourth quarter	$	$
Revenue	115.9m	88.7m
Net profits	15.6m	22.4m
Net per share	0.57	0.83
12 months		
Revenue	403.5m	309.2m
Net per share	2.04	2.09

DELTA AIR LINES

	1981	1980
Second quarter	$	$
Net profits	8.5m	44.7m
Net per share	0.21	1.12
Six months		
Revenue	1.79bn	1.70bn
Net per share	0.41	1.79

DIEBOLD

	1981	1980
Fourth quarter	$	$
Revenue	107.4m	85.1m
Net profits	9.4m	5.3m
Net per share	1.09	0.62
12 months		
Revenue	385.9m	346.9m
Net profits	29m	21.2m
Net per share	3.37	2.48

R. R. DONNELLEY AND SONS

	1981	1980
Fourth quarter	$	$
Revenue	260.1m	311.9m
Net profits	25.19m	20.09m
Net per share	1.34	1.07
Year		
Revenue	1.24bn	1.11bn
Net profits	79.02m	68.95m
Net per share	4.20	3.70

DRAVO

	1981	1980
Fourth quarter	$	$
Revenue	514.1m	390.2m
Net profits	7.3m	8.6m
Net per share	0.56	0.65
12 months		
Revenue	1.51bn	1.11bn
Net profits	17.3m	21.6m
Net per share	1.31	1.69

ELECTRONIC DATA SYSTEMS

	1981-82	1980-81
Second quarter	$	$
Revenue	124.1m	109.4m
Net profits	11.13m	9.2m
Net per share	0.41	0.34
Six months		
Revenue	248.3m	214.2m
Net profits	21.74m	17.82m
Net per share	0.80	0.65

EMPLOYERS CASUALTY

	1981	1980
Year	$	$
Net profits	23.4m	21.7m
Net per share	5.57	5.16

FIDELITY FINANCIAL

	1981	1980
Fourth quarter	$	$
Revenue	77.8m	75.9m
Net profits	†19.69m	†2.47m
Net per share	†2.91	†0.36
Year		
Revenue	320.9m	282.1m
Net per share	†8.40	†0.20

† Loss

FINANCIAL OF AMERICA

	1981	1980
Fourth quarter	$	$
Revenue	130.7m	54.5m
Net profits	5.5m	4.2m
Net per share	0.55	0.56
12 months		
Revenue	388m	178.4m
Net profits	17.4m	12.2m
Net per share	1.93	1.64

FIRST CHARTER FINANCIAL

	1981	1980
Fourth quarter	$	$
Revenue	255.6m	243m
Net profits	†20.15m	15.71m
Net per share	†0.68	0.53
Year		
Revenue	1bn	855.1m
Net profits	†35.65m	39.21m
Net per share	†1.87	1.32

† Loss

HOLLY SUGAR

	1981-82	1980-81
Third quarter	$	$
Revenue	68m	96m
Net profits	†548,000	3.09m
Net per share	†0.35	1.95
Nine months		
Revenue	196.1m	231.8m
Net profits	2.43m	9.06m
Net per share	1.53	5.72

† Loss

IDEAL BASIC INDUSTRIES

	1981	1980
Fourth quarter	$	$
Revenue	110.8m	113.5m
Net profits	5.3m	3.1m
Net per share	0.39	0.22
Year		
Revenue	476.7m	458.9m
Net profits	44m	52.8m
Net per share	3.24	3.93

KAISER CEMENT

	1981	1980
Fourth quarter	$	$
Revenue	55.6m	60.5m
Net profits	2.36m	6.49m
Net per share	0.33	0.94
Year		
Revenue	240.1m	233.7m
Net profits	20.69m	23.59m
Net per share	2.89	3.45

MULTIMEDIA

	1981	1980
Fourth quarter	$	$
Revenue	54.3m	46.2m
Net profits	7.94m	6.51m
Net per share	0.78	0.65
Year		
Revenue	195.3m	163.6m
Net profits	25.52m	21.62m
Net per share	2.55	2.15

MURPHY OIL

	1981	1980
Fourth quarter	$	$
Revenue	43.2m	39m
Net profits	3.4m	3.1m
Net per share	0.54	0.14
12 months		
Revenue	1.58m	2.08m
Net profits	9.9m	13.1m
Net per share	152m	133.8m

NALCO CHEMICAL

	1981	1980
Fourth quarter	$	$
Revenue	177.6m	162.6m
Net profits	21.3m	20.1m
Net per share	1.07	1.00
Year		
Revenue	666.6m	616.7m
Net profits	81.2m	72.3m
Net per share	4.04	3.61

OHIO CASUALTY

	1981	1980
Fourth quarter	$	$
Net profits	21.05m	19.96m
Net per share	1.80	1.70
Year		
Net profits	77.74m	69.58m
Net per share	6.65	5.96

PENNZOIL

	1981	1980
Fourth quarter	$	$
Revenue	653m	659.4m
Net profits	54.8m	77.5m
Net per share	1.05	1.47
12 months		
Revenue	2.68bn	2.48bn
Net profits	221.6m	309.5m
Net per share	4.23	5.90

ST PAUL COMPANIES

	1981	1980
Fourth quarter	$	$
Revenue	514.1m	486.1m
Net profits	43.5m	43.6m
Net per share	2.08	2.03
Year		
Revenue	1.97bn	1.87bn
Net profits	176.4m	150.9m
Net per share	8.42	7.20

SHELL CANADA

	1981	1980
Fourth quarter	$	$
Revenue	[illegible]	[illegible]
Net profits	30m	88m
Net per share	0.20	0.93
Year		
Revenue	[illegible]	[illegible]
Net profits	236m	355m
Net per share	2.12	3.34

SQUARE D

	1981	1980
Fourth quarter	$	$
Revenue	280m	280.6m
Net profits	21.5m	25.1m
Net per share	0.80	0.94
Year		
Revenue	1.14bn	1.01bn
Net profits	102.8m	84.7m
Net per share	3.82	3.29

SUN COMPANY

	1981	1980
Fourth quarter	$	$
Revenue	4.4bn	4.16bn
Net profits	448m	30m
Net per share	3.70	0.22
Year		
Revenue	16bn	13.2bn
Net profits	1.08bn	723m
Net per share	8.85	5.92

SUNCOR

	1981	1980
Fourth quarter	C$	C$
Revenue	334.2m	309.2m
Net profits	†500,000	51m
Net per share	†0.02	0.97
Year		
Revenue	1.32bn	1.26bn
Net profits	50.1m	306.4m
Net per share	0.93	5.83

† Loss

TAFT BROADCASTING

	1981-82	1980-81
Third quarter	$	$
Revenue	70.9m	57.1m
Net profits	10.95m	6.95m
Net per share	1.15	0.71
Nine months		
Revenue	307.7m	194.3m
Net profits	36.45m	26.32m
Net per share	3.57	2.69

TEXACO CANADA

	1981	1980
Fourth quarter	$	$
Revenue	1.15bn	1bn
Net profits	62.7m	95.8m
Net per share	0.48	0.75
12 months		
Revenue	4.46bn	3.57bn
Net profits	316.3m	373.4m
Net per share	2.45	2.92

TEXAS EASTERN

	1981	1980
Year	$	$
Revenue	4.52bn	4.27bn
Net profits	220.6m	219.7m
Net per share	8.70	8.72

TRACOR

	1981	1980
Fourth quarter	$	$
Revenue	99.5m	85.3m
Net profits	5.03m	4.09m
Net per share	0.53	0.45
Year		
Revenue	371.1m	313.7m
Net profits	19m	14.1m
Net per share	2.02	1.76

UNION CARBIDE CANADA

	1981	1980
Fourth quarter	C$	C$
Revenue	204.4m	227.5m
Net profits	2.7m	18.4m
Net per share	0.05	0.88
12 months		
Revenue	827.3m	784.8m
Net profits	36.1m	79.6m
Net per share	1.50	3.72

WESTERN FINANCIAL

	1981	1980
Fourth quarter	$	$
Revenue	63.7m	45.3m
Net profits	†6.68m	383,000
Net per share	†3.09	0.17
Year		
Revenue	225.5m	171.7m
Net profits	†25.52m	3.03m
Net per share	†11.81	1.35

† Loss

WHEELING PITTSBURGH STEEL

	1981	1980
Fourth quarter	$	$
Revenue	246.8m	271.4m
Net profits	13.62m	2.12m
Net per share	3.19	0.31
Year		
Revenue	1.15bn	1.05bn
Net profits	60.06m	14.69m
Net per share	14.23	2.85

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Tuesday February 16. Closing prices on February 1

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Anheuser-Busch 16⅛ 83	100	102¼	102¾	−0¼	+0⅛	15.86
APS Fin. Co. 17¼ 86	60	103¼	103⅞	−0¼	+0⅛	16.01
Armco O/S Fin. 15⅛ 86	50	98¼	99¼	−0¼	−0½	15.64
Bank Montreal 16⅛ 91	150	100	100½	−0⅛	+0⅛	16.16
Br. Colum. Hyd. 16⅛ 88	100	101½	101⅞	−0⅛	+0⅛	15.85
Br. Colum. Mfs. 17 87	54	103¼	103⅞	−0⅛	+0⅛	16.33
Can. Nat. Rail 14⅛ 91	100	93⅛	93⅞	−0⅛	+0⅛	15.95
Caterpillar Fin. 16⅛ 86	100	101½	102	−0⅛	+0⅛	15.88
CFMP 16⅛ 86	100	102	102½	−0⅛	+0⅛	16.30
CIBC 16⅛ 91	100	101½	102	−0⅛	+0⅛	16.32
Citicorp O/S 16⅛ 86	150	102⅞	103⅜	−0⅛	+0⅛	15.68
Cities Service 17 88	150	103	103½	−0⅛	−0⅛	16.09
Cons. Bathurst 17⅛ 88	60	103⅜	104	−0⅛	+0⅛	16.35
CPC Fin. 16⅛ 86	50	102⅜	103⅛	−0⅛	−0⅛	15.70
Dupont O/S 14½ 88	400	97⅛	97⅝	0	+1⅛	15.05
EIB 16⅛ 88	100	100⅜	100⅞	−0⅛	+0⅛	16.26
EIB 16⅛ 91	100	100⅞	101⅜	−0⅛	+0⅛	16.46
GMAC O/S Fin. 16⅛ 84	300	101	101½	−0⅛	+0⅛	15.90
Gulf States O/S 17½ 88	60	104	104½	−0⅛	+0⅛	16.33
Japan Airlines 15⅜ 88	50	99⅛	99⅝	−0⅛	+0⅛	15.31
Nat. Bk. Canada 16⅛ 88	40	100⅜	101⅛	+0⅛	+0⅛	16.84
Nat. West 14⅜ 91	100	95⅛	95⅝	−0⅛	+0⅛	15.62
New Brunswick 17 88	60	104⅛	104⅝	−0⅛	+0⅛	15.76
Newfoundland 17⅛ 89	60	106½	107	0	+1	15.62
New & Lab. Hy. 17⅛ 89	75	103⅞	104⅜	−0⅛	+0⅛	16.23
Ohio Edison Fin. 17⅛ 88	75	103⅛	103⅝	0	+0⅛	16.53
OKG 15⅛ 97	50	97⅛	97⅝	−0⅛	+0⅛	16.17
Ontario Hyd. 16 91 (N)	200	100½	101	−0⅛	+0⅛	15.81
Pac. Gas & El. 15⅛ 89	80	99	99½	−0⅛	−0⅛	15.92
Quebec Hydro 17⅛ 91	150	104	104½	0	+0⅛	16.29
Quebec Province 15⅛ 89	150	96⅛	96⅝	−0⅛	+0⅛	16.08
Saskatchewan 16⅛ 88	100	100⅞	101⅜	−0⅛	+0⅛	15.92
Statsforetag 15⅛ 87	50	98⅛	98⅝	−0⅛	+0⅛	16.24
Sweden 14½ 88	150	93	93½	+0⅛	+0⅛	16.17
Swed. Ex. Cred. 16⅛ 93	75	101	101½	−0⅛	+0⅛	16.22
Tenneco Int. 17 89	100	103⅞	104⅜	−0⅛	+0⅛	15.96
Texas Eastern 15⅞ 88	75	98⅞	99⅜	−0⅛	+0⅛	16.09
Transcanada 17⅛ 88	75	106	106½	−0⅛	+0⅛	16.07
Transcanada 16 89	100	99⅛	99⅝	−0⅛	−0⅛	16.11
Walt Disney 15⅛ 86	100	101½	102	−0⅛	+1	15.11
Winnipeg 17 86	50	102⅞	103⅜	−0⅛	+0⅛	15.22
WMC Fin. 15½ 88	50	96⅛	96⅝	−0⅛	+0⅛	16.32
World Bank 16 88	80	100⅛	100⅝	+0⅛	+1⅛	15.78
World Bank 16⅛ 86	130	102	102½	−0⅛	+0⅛	15.70
World Bank 16⅛ 88	100	101½	102	−0⅛	+1⅛	15.99

Average price changes... On day −0⅛ on week +0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 10 91	100	98⅛	100⅛	−0⅛	+0⅛	10.03
Asian Dv. Bank 10⅛ 89	100	101⅞	102⅛	0	+0⅛	10.29
Australia 9⅛ 91	300	98⅛	99⅛	−0⅛	+0⅛	9.45
Belgelectric 11 91	100	101⅛	102⅛	−0⅛	+0⅛	10.68
CECA 10 91	120	100⅞	101⅛	0	−0⅛	9.78
Coun. of Europe 10 91	100	100⅛	101	−0⅛	+0⅛	9.88
Coun. of Europe 10⅛ 91	100	100⅛	101⅛	−0⅛	−0⅛	10.11
EEC 10⅛ 93	100	100½	101	−0⅛	+0⅛	10.00
EIB 8½ 90	200	92⅛	93⅛	−0⅛	+0⅛	9.76
EIB 10½ 91	200	102⅛	103⅛	−0⅛	+0⅛	10.02
Finland, Rep. of 10½ 86	100	100⅞	101⅛	−0⅛	+0⅛	10.16
Inter-American 10 91	100	98⅞	100	0	0	9.95
Inter-American 10⅛ 91	100	100⅛	101⅛	−0⅛	+0⅛	10.09
Ireland 10⅛ 86	100	100⅛	100⅞	+0⅛	+0⅛	9.98
Japan Air Lines 8⅛ 87	100	95⅛	96⅛	0	+0⅛	8.97
Midland Int. Fin. 8⅛ 90	150	93⅛	94⅛	0	+0⅛	9.53
Mt. Bk. Dnmk. 10⅛ 91	100	99⅛	100⅛	+0⅛	+0⅛	10.44
New Zealand 9⅛ 89	200	100⅛	100⅞	−0⅛	+0⅛	9.64
OKB 10⅛ 91	150	100⅛	100⅞	−0⅛	+0⅛	10.01
Quebec Hydro 10⅛ 91	150	101⅛	102⅛	−0⅛	+0⅛	9.89
Renault Acpt. 10⅛ 86	150	100⅛	100⅞	−0⅛	−0⅛	10.60
Swed. Ex. Cred. 10⅛ 91	100	99⅛	100	−0⅛	−0⅛	10.28
World Bank 10 91	250	100⅛	100⅞	−0⅛	+0⅛	9.83

Average price changes... On day −0⅛ on week +0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 6½ 91	80	94⅛	94½	+0⅛	−0⅛	7.35
Asian Dev. Bank 8 90	80	101⅛	102	0	−0⅛	7.69
BFCE 6⅛ 91	100	†94⅛	95	+0⅛	0	7.31
Belgelectric Fin. 7⅛ 91	100	101⅛	101⅛	0	+0⅛	7.48
Bell Canada 7⅛ 83	100	105	105⅛	0	−0⅛	6.61
Bergen, City of 6⅛ 91	40	†100	100⅛	0	−0⅛	6.73
Bct. de Autopistas 8 90	50	100	100⅛	0	−0⅛	7.97
CECA 6⅛ 91	80	†100	100⅛	+0⅛	0	6.73
Dome Petroleum 5⅛ 91	100	92⅛	93	−0⅛	−0⅛	6.83
Dome Petroleum 7⅛ 90	100	103⅛	103⅛	+0⅛	+0⅛	6.65
Franc. Petroles 6⅛ 91	80	95	96⅛	−1⅛	−1⅛	7.22
Genstar 7 91	100	102	102⅛	0	0	6.68
Int. Amer. Dv. Bk. 7 91	100	99	99⅛	+0⅛	+0⅛	7.11
I/S Elsam 8½ 91	80	104⅛	104⅛	+0⅛	−0⅛	7.79
Japan Air Lines 7⅛ 91	100	103⅛	103⅛	−0⅛	−0⅛	6.73
Neder. Gasunie 8 91	100	106⅛	106⅛	−0⅛	−0⅛	7.07
OKB 7 93	100	98	98⅛	−1	−1⅛	7.24
OKB 7⅛ 91	100	100⅛	101⅛	−0⅛	−0⅛	7.10
Oslo, City of 8 91	100	104⅛	104⅛	−0⅛	−1⅛	7.35
Saint Etienne 8½ 91	20	104⅛	104⅛	−0⅛	−0⅛	7.78
Swed. Ex. Credit 7⅛ 91	75	97⅛	97⅛	+0⅛	−0⅛	7.61
TNT O/S Fin. 8 91	50	104⅛	104⅛	0	0	7.39
Unilever NV 7⅛ 93	100	105⅛	105⅛	0	−0⅛	6.79
World Bank 6 91	100	†92⅛	93	0	0	7.11
World Bank 7 90	100	99⅛	99⅛	−0⅛	+0⅛	7.04
World Bank 8 91	100	103⅛	103⅛	−0⅛	−0⅛	7.49

Average price changes... On day −0⅛ on week −0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 8⅛ 91	15	98⅛	99⅛	0	−0⅛	8.38
Australia 8⅛ 88	20	91	91⅛	−0⅛	−0⅛	8.33
EIB 7⅛ 89	12	98⅛	99⅛	+0⅛	−0⅛	7.96
Finland, Rep. of 8⅛ 87	15	98⅛	99⅛	+0⅛	−0⅛	8.51
Int.-Amer. Dev. 8⅛ 91	15	101⅛	102⅛	−0⅛	−1	8.53
New Zealand 8⅛ 87	15	100⅛	101⅛	0	−0⅛	8.21

Average price changes... On day 0 on week −0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Can. Utilities 17 96 C$	50	†98⅛	98⅛	+0⅛	+0⅛	17.26
Federal Dev. 17⅛ 88 C$	40	†102⅛	103⅛	+0⅛	+0⅛	16.63
GMAC (Can.) 18 87 C$	40	†106	107	+0⅛	+0⅛	16.03
Pancanadian 16⅛ 88 C$	65	†98⅛	99	+0⅛	+0⅛	16.78
Queb. Urban 16⅛ 88 C$	20	†100	101	0	−0⅛	16.55
Roynat 17⅛ 86 C$	40	†101⅛	101⅛	+0⅛	−0⅛	16.73
Tordom Cpn. 13⅛ 85 C$	30	†94	95	+0⅛	+0⅛	15.68
M. Bk. Dnmk. 9 91 EUA	25	84	85½	0	+0⅛	11.88

	Issued	Bid	Offer	Change on day	Change on week	Yield
SOFTE 8⅛ 89 EUA	40	78⅛	79⅛	+0⅛	0	12.92
U. Bk. Nwy. 9⅛ 90 EUA	18	91	92⅛	−0⅛	−0⅛	11.11
Algemene Bk. 10⅛ 86 Fl	60	97⅛	98⅛	−0⅛	+0⅛	10.87
Amfas Group 12⅛ 86 Fl	40	103	103⅛	+0⅛	+0⅛	11.30
Amro Bank 12 86 Fl	75	101	101⅛	−0⅛	+0⅛	11.57
Amro Bank 12 88 Fl	60	101⅛	102⅛	+0⅛	+0⅛	11.40
Heineken NV 10 87 Fl	100	96⅛	97	0	−0⅛	10.79
Pierson 10⅛ 86 Fl	50	97	97⅛	0	−0⅛	11.11
Rabobank 12 86 Fl	50	101⅛	101⅛	+0⅛	0	11.54
Air France 14⅛ 86 FFr	200	93⅛	94⅛	+0⅛	+0⅛	16.52
Bk. America 14⅛ 86 FFr	250	92⅛	93⅛	+0⅛	+0⅛	16.77
Charb'nages 13⅛ 86 FFr	300	93⅛	94⅛	+0⅛	+0⅛	16.03
EIB 14⅛ 88 FFr	300	89⅛	90⅛	0	0	16.94
La Redoute 14⅛ 86 FFr	125	91⅛	92⅛	+0⅛	+0⅛	17.43
OKB 14 86 FFr	400	92⅛	93⅛	0	+0⅛	16.40
Solvay et C. 14⅛ 86 FFr	200	92⅛	93⅛	+0⅛	+0⅛	17.17
Swed. E. Cr. 14⅛ 86 FFr	250	93⅛	94⅛	+1⅛	+1	16.76
U. Mex. Sts. 14 86 FFr	160	91⅛	92⅛	0	+0⅛	17.36
Acona 14 85 £	20	91⅛	92⅛	+0⅛	+0⅛	17.10
Beneficial 14⅛ 90 £	20	85	86	−0⅛	+1⅛	17.56
BNP 13⅛ 91 £	15	84⅛	85⅛	−0⅛	+0⅛	16.79
CECA 13⅛ 88 £	20	89⅛	90⅛	+0⅛	+1⅛	15.89
Citicorp O/S 13⅛ 90 £	50	89⅛	90⅛	+0⅛	+1⅛	16.69
Fin. Ex. Cred. 13⅛ 86 £	15	90⅛	91⅛	+0⅛	+0⅛	16.73
Gen. Elec. Co. 12⅛ 89 £	50	85⅛	86⅛	−0⅛	+0⅛	15.80
Hiram Walker 14⅛ 86 £	25	94⅛	95⅛	+0⅛	+0⅛	16.04
Privatbanken 14⅛ 88 £	12	90⅛	91⅛	0	+2	16.86
J. Rothschild 14⅛ 90 £	12	93⅛	94⅛	−0⅛	+1⅛	15.57
Royal Trustco 14 86 £	12	93⅛	94⅛	0	+0⅛	16.13
Swed. Ex. Cr. 13⅛ 86 £	20	92	93	+0⅛	+1⅛	16.35
Akzo 9⅛ 87 LuxFr	500	85⅛	86⅛	0	+0⅛	12.85
Euratom 9⅛ 88 LuxFr	500	87	88	+0⅛	+0⅛	12.68
Eurofima 10⅛ 87 LuxFr	500	92⅛	93⅛	0	0	12.34
EIB 9⅛ 88 LuxFr	600	88⅛	89⅛	−0⅛	+0⅛	12.56
Volvo 9⅛ 87 LuxFr	500	86	87	0	0	13.19

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Bank of Montreal 5⅛ 90	0⅛	99⅛	99⅛	18/6	14⅛	14.32
Bank of Montreal 5⅛ 91	0⅛	99⅛	99⅛	29/4	17.06	17.13
Bank of Tokyo 5⅛ 91	0⅛	99	99⅛	10/6	13⅛	13.35
Bk. Nova Scotia 5⅛ 93	0⅛	99⅛	100⅛	29/4	17.06	17.06
BBL Int. 5 88	0⅛	99⅛	99⅛	20/5	13⅛	13.57
BFCE 5⅛ 88	0⅛	99⅛	100⅛	28/4	16.94	16.94
BFCE 5⅛ 87	0⅛	99⅛	100⅛	27/1	5⅛	5.29
Christiania Bk. 5⅛ 91	0⅛	99⅛	99⅛	5/2	15.56	15.70
Co-Ban Eurofin 5⅛ 91	0⅛	98⅛	99⅛	14/4	15.69	15.88
Den Norske Cred. 5⅛ 93	0⅛	97⅛	97⅛	4/8	13.56	13.89
Genfinance 5⅛ 92	0⅛	99⅛	100⅛	30/6	15⅛	15.52
Giro und Bank 5⅛ 91	0⅛	9A⅛	98⅛	23/3	14.06	14.13
GZB 5⅛ 92	0⅛	98⅛	99⅛	6/3	13⅛	13.26
Ind. Bank Japan 5⅛ 88	0⅛	98⅛	99⅛	9/5	13.31	13.49
Lloyds Eurofin 5⅛ 93	0⅛	99⅛	100⅛	29/4	17.13	17.15
LTCB Japan 5⅛ 89	0⅛	98⅛	99⅛	16/7	15.21	15.41
Midland Int. Fin. 5 91	0⅛	99⅛	100⅛	30/4	17.06	17.04
Nacional Fin. 5⅛ 88	0⅛	97⅛	98	25/3	17.31	17.71
Nat. Bk. Canada 5⅛ 88	0⅛	99⅛	100⅛	24/3	17.31	17.33
Nat. West. Fin. 5⅛ 91	0⅛	98⅛	99⅛	15/7	15.19	15.28
Nat. West. Fin. 5⅛ 92	0⅛	99⅛	100⅛	23/4	17	17.00
Nordic Int. Fin. 5⅛ 91	0⅛	98⅛	99⅛	8/5	15⅛	15.78
Offshore Mining 5⅛ 91	0⅛	98⅛	98⅛	2/8	13	13.18
Pemex 6 91	0⅛	97⅛	97⅛	3/4	17	17.46
PKbanken 5 91	0⅛	98⅛	99⅛	17/6	14⅛	14.52
Sanwa Int. Fin. 5⅛ 88	0⅛	†98⅛	99⅛	24/3	17⅛	17.34
Scotland Int. 5⅛ 92	0⅛	98⅛	98⅛	23/3	13.94	14.15
Sec. Pacific 5⅛ 91	0⅛	98⅛	99⅛	24/5	13⅛	13.40
Societe Generale 5⅛ 91	0⅛	99⅛	99⅛	22/7	15⅛	15.33
Standard Chart. 5⅛ 91	0⅛	99⅛	99⅛	18/6	13.31	13.53
Sumitomo Fin. 5⅛ 88	0⅛	98⅛	99⅛	6/2	15.56	15.74

Average price changes... On day 0 on week +0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5⅛ 96	7/81	933	97⅛	99	−1⅛	2.37
Bow Valley Inv. 8 95	4/81	23.12	98⅛	100	+1⅛	30.74
Canon 6⅛ 95	1/81	829	109⅛	111⅛	−3⅛	0.51
Daiwa Secs. 5⅛ 96	12/81	513.3	77	79	−1	−2.58
Fujitsu Fanuc 4⅛ 96	10/81	6770	†104	112⅛	−1⅛	2.13
Furukawa Elec. 5⅛ 96	7/81	300	125	127	−0⅛	−3.14
Hanson O/S Fin. 9⅛ 96	8/81	2.74	†90	91	+4	38.36
Hitachi Cred. Cpn. 5 96	7/81	1773	89⅛	91⅛	+0⅛	2.02
Inchcape 8 95	2/81	4.55	765	66⅛	0	9.68
Kawasaki 5⅛ 96	9/81	229	78⅛	80⅛	−1⅛	3.10
Marui 6 96	7/81	931	103⅛	105⅛	−0⅛	8.48
Matsushita El. 7⅛ 96	11/80	590	90⅛	91⅛	−1⅛	3.05
Minolta Camera 5 96	10/81	209	71⅛	73⅛	−1⅛	5.32
Minorco 9⅛ 97	5/82	8.16	†95⅛	96⅛	—	—
Murata 5⅛ 96	7/81	2190	97⅛	99	−0⅛	19.39
NKK 5⅛ 96	7/81	188	57	59⅛	−1⅛	4.73
Nippon Chemi-C. 5 91	10/81	919	74⅛	76⅛	−2⅛	−0.43
Nippon Electric 5⅛ 97	2/82	846	107⅛	109⅛	—	1.29
Orient Finance 5⅛ 97	3/82	1562	96⅛	96⅛	—	5.93
Sanyo Electric 5 96	10/81	552	78⅛	80⅛	−1⅛	3.02
Sumitomo Met. 5⅛ 96	10/81	306	80⅛	82	−1	1.14
Swiss Bk. Cpn. 6⅛ 90	9/80	191	73	75	0	18.69
Taylor Woodrow 9⅛ 90	1/81	4.94	†89	90	0	−2.04
Union Bk. Switz. 5 89	2/80	79.73	†82	84	+4	9.32
Konishiroku 6 90 DM	2/82	585	102⅛	103⅛	−0⅛	−1.30
Mitsubishi H. 6 89 DM	2/82	263	101⅛	102⅛	−0⅛	1.26

* No information available—previous day's price.
† Only one market-maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Companies and Markets

INTL. COMPANIES & FINANCE

Board shake-up at Triumph Adler

By Stewart Fleming in Frankfurt

THE THREE Triumph-Adler board members responsible for finance, supplies and production have resigned, marking a further shake-up at the troubled office equipment subsidiary of West Germany's Volkswagen.

In addition, the company, which is expecting a loss of more than DM 80m ($34.5m) in its 1981 financial year on sales of around DM 2bn, has given Mr Robert R. Hagy responsibility for all the company's U.S. operations. Mr Hagy, however, has resigned as a member of the board of the Triumph-Adler parent company in Germany.

The changes mean that in the past year all but two of the managing board members at Triumph-Adler have lost their jobs, including the chief executive, Dr Gerd Weers, who was replaced at the beginning of this year by Dr Peter Niedner, who had been an official of the German subsidiary of Switzerland's Landis and Gyr.

The board members who have resigned are Herr Georg Glahn, the finance director, who is quitting on April 15, Herr Otto Kranss and Herr Hermann Scharold. Two new board members have been named—Herr Harro D. Welzel has been recruited from the Valvo division of Philips to take responsibility for office equipment and Dr Klaus Mentzel is leaving Standard Elektrik Lorenz, ITT's German subsidiary, to take control of production.

The severity of Triumph's problems became clear in the middle of last year when it announced plans to close one of its main production units in Frankfurt.

The problems are a result of the growing application of micro-electronics technology in the office equipment market. Triumph-Adler was producing too many electro-mechanical products such as typewriters and not applying microelectronics technology in its products fast enough.

The plans to close its Frankfurt operation were modified but the company is in the throes of a reshaping of its operations.

German steel merger plan due soon

By Jonathan Carr in Bonn

WEST GERMAN steel companies, Krupp Stahl and Hoesch, are expected to shortly announce the merger of many of their activities.

An "agreement in principle," already reached between the two groups, is likely to be formally approved by both supervisory boards at meetings on Thursday.

A full merger would create a concern which, with production of close to 12m metric tonnes a year, would become Germany's second biggest steel group after Thyssen.

However it is understood that the accord—reached after many months of negotiation—does not specify which sectors of production will finally be included in the deal.

The agreement states that "in principle" Krupp and Hoesch plan to draw all their activities into a new concern, called Ruhrstahl, to be set up as soon as possible in 1982. But it adds that it may be necessary to leave some divisions outside the new arrangement.

BANQUE BRUXELLES LAMBERT

Belgium's new banking wizard

BY GILES MERRITT IN BRUSSELS

A NEW financial wizard has leapt to the centre of the Belgian banking and industrial stage. He is 56-year-old M Albert Frere, the man who masterminded the coup at the end of last week in which a Belgian-Swiss consortium bought for BFr 2.6bn (US$66m) a blocking minority stake in Groupe Bruxelles Lambert, Belgium's second largest financial empire.

M Frere is no shadowy financier. He is a self-made man who left school at 17 to run his late father's small engineering business in the industrial town of Charleroi, and built himself into a dominant figure in the area's steel industry.

His reputation is that of a tough, old-time "steel czar" who delights in facing out the trades unions and giving as good as he gets.

With the Belgian State's merger of the main Charleroi and Liege steelmaking companies into the giant but troubled Cockerill-Sambre, M Frere has emerged in a new guise. Last autumn he played a principal role in the financial operations that wrested control of Cobepa, Belgium's third-largest financial holdings group, away from Paribas France.

In a series of inter-linked moves, he had before that taken a hand in the deals that defied the will of the French Government by separating Paribas Suisse from the French Paribas empire, and putting it under the control of the Geneva-based Pargesa company to avoid French nationalisation plans.

Now Albert Frere is back in the headlines as the key figure in the consortium of companies that has "rescued" Baron Leon Lambert's Groupe Bruxelles Lambert. The still unanswered question is what M. Frere's ultimate intentions will turn out to be.

Senior Bruxelles Lambert executives were yesterday emphasising that there is as yet no reason to fear that the deal being done with M. Frere, Cobepa, Pargesa and Gevaert, the Belgian holding group resulting from Bayer's Agfa-Gevaert takeover, will turn out to be a "Faustian" one. But they concede that M. Frere's price may not yet be fully known.

At a formal level, there has yet to be a discussion of the position that M. Frere will take on the Groupe Bruxelles Lambert Board, while perhaps more importantly than that there are doubts over the management roles that the new shareholders in the group will wish to play.

Under the terms of the deal, the Bruxelles Lambert holding company is to boost its 4m shares capital to 6m, with the new 2m shares to be bought by members of the consortium in proportions that remain confidential at BFrs 1,300 per share. On the Brussels Bourse yesterday the shares dropped gently from BFr 1,440 to BFr 1,400.

But the real significance of the arrangement is that Baron Lambert, in return for a capital injection that is understood to be vital for his cash-starved holding company, has ceded outright control. Provided the consortium of newcomers acts cohesively, it will be the single largest block of shares in Groupe Bruxelles Lambert.

M. Frere's involvement in the affairs of the Bruxelles Lambert group is, according to Belgian observers, unlikely to stop there. In the first place, there is the question hanging over the "synergy" that could result from linking his Cobepa holdings concern with the larger holding operations of the Compagnie Bruxelles Lambert.

There is also the future of Banque Bruxelles Lambert, for although the Frere-dominated consortium has guaranteed the autonomy of the bank it remains to be seen how much Groupe Bruxelles Lambert will retain of its 46.6 per cent stake in the bank by not subscribing the capital increase that is being anticipated.

According to M Frere, the holding company will be diluting its share in Banque Bruxelles Lambert to no more than 20 per cent. The bank's difficulties in 1980 and the continuing demands for financing put on Belgian bankers by the State apparently make banking a comparatively unattractive proposition to M Frere, and his associates. Whether, though, M Frere was speaking for Baron Lambert, who is still the chief executive of the Bruxelles Lambert group, when he outlined his thinking to reporters yesterday, was unclear.

And in the longer term, M Frere's future plans are similarly unknown. He is to a large extent an unknown quantity in the closed circle of Belgian banking—as one Bruxelles Lambert director commented of him, on brief acquaintance: "He is certainly a distinguished gentleman, but not of the old style."

Spanish banks raise profits

BY ROBERT GRAHAM, IN MADRID

BANCO POPULAR and Banco de Vizcaya, two of the big seven Spanish banks, have sharply increased profits for 1981 but have also been forced to make heavy provisions.

Vizcaya's pre-tax profit of Pts 8.38bn ($85.3m) was up 29 per cent while Popular's pre-tax profit rose 32 per cent to Pts 7.5bn. Vizcaya's provisions totalled Pts 14.3bn while those at Popular were Pts7.45bn.

The provisions at Vizcaya were up 39 per cent in 1980 with the biggest single item being debt provisions of Pts 10.6bn. The bank wrote-off almost Pts 2bn in the integrated steel concern, Altos Hornos de Vizcaya which helped lower its tax provision to Pts 1.3bn.

Popular's provisions for doubtful debts were 53 per cent up on 1980. Both banks said that provisions had been heavier than anticipated and underlined the continuing recession in the Spanish economy.

Both banks attributed their increased profits to tighter control of operating costs, plus high interest rates. Vizcaya has also benefited from an increasing volume of foreign business, which now represents about 25 per cent of total business. Vizcaya's net return on assets improved by 2.1 per cent to 13.9 per cent. Popular bettered its 1980 performance with a 13.21 per cent return on assets, against 12.3 per cent.

Vizcaya had total deposits at year end of Pts 647bn, up almost 20 per cent. This compares with an average of 17 per cent among the big seven. Popular lifted deposits by 18.9 per cent to Pts 437bn. Both banks registered almost similar increases of around 17 per cent in credits.

Profit per share at Vizcaya was Pts 314, enabling a dividend 62 per cent higher at Pts 157 per share to be paid. Popular's profit per share rose to Pts 269 and the dividend is Pts 115 a share, against Pts 81.4.

Capital plan for Italian bank approved

By James Buxton in Rome

SHAREHOLDERS of Banca Nazionale del Lavoro (BNL) Italy's biggest bank, have approved a scheme which allows greater foreign and private holdings in BNL and should see a sharp rise in paid-up capital.

Some 86 per cent of the bank's shares are held by the Treasury but because of past delays in obtaining Parliamentary approval for the Treasury to advance new funds to the bank its capital base has not kept up with its growth in business.

Though Parliament authorised the Treasury to pay its share of the L240bn capital increase decided in 1979, the Treasury has so far been unable to pay because of other spending commitments.

Now the bank's shareholders have agreed to divided the share capital into two parts. The first category, which will carry voting rights, will be available to State and private financial institutions in Italy and to foreign banks and insurance companies.

The second category will consist of non-voting savings shares. These would be allowed to make up 50 per cent of the total equity of the bank and would carry a dividend up to 20 per cent higher than the first category.

French electronics group to receive state cash

BY TERRY DODSWORTH IN PARIS

THE FRENCH Government is to inject FFr 85.5m ($14.8m) into Intertechnique, the aircraft components and computer peripherals company, in a project aimed at a substantial growth in the group's office systems activities.

The agreement gives Intertechnique, in which M Marcel Dassault, the veteran French aeronautics engineer, has a 30 per cent stake, a clear role in the Socialist Government's ambitious plans to develop the information systems industry. Although this policy has not been globally defined as yet, the Government has made it clear already that it will be seeking to help certain companies with their development within the context of a broader national plan.

Intertechnique's contract with the Government, signed at the weekend, sets out firm targets for the company's performance in the office materials sector. Up until 1985, it is expected to expand rapidly and create a workforce of between 350 and 400 at a new factory in the Montpellier region.

In return, the Governmet will give Intertechnique FFr 61.5m in the form of direct subsidies, while advancing another FFr 24m of participating loans at soft interest rates. The aid is to be injected at a rate of FFr 46.5m this year, FFr 27m in 1983 and FFr 12m in 1984.

Intertechnique has also agreed to increase its own capital to coincide with the Government assistance. It will make a rights issue to raise FFr 30m this year, and has committed itself to reinvest profits at the rate of FFr 26.5m over the 1981 to 1983 period.

This concept of company to State contracts, laying out clear growth objectives in return for financial aid, has been tried in France's computer industry before, with mixed success. One of the leaders in the sector, Logabax, collapsed last year after receiving similar assistance.

Intertechnique, however, has shown a solid profits performance in recent years, rising from FFr 8.5m net in 1977 to FFr 25.8m in 1980. It is forecasting a rise of around 25 per cent for 1981.

Turnover also went up last year in the same proportion, to FFr 635m against FFr 509m in 1980. Of this, the aerospace activities accounted for FFr 353m, and the computer and instrumentation interests FFr 282m.

Norsk Data equity issue

By Fay Gjester in Oslo

NORSK DATA, the fast-growing Norwegian minicomputer supplier which last year obtained a London share listing, is planning a placing of new shares.

The board plans to place up to 350,000 new shares on the London and Oslo markets at prices "as close as possible" to the recent market price of around NKr 370 ($80).

Profit, before tax and extraordinary items, totalled about NKr 40m in 1981.

Philips to lift optical glass fibre output

By Charles Batchelor in Amsterdam

PHILIPS, THE Dutch electrical group, is to start factory-scale production of optical glass fibres at a new Fl 19m ($7.5m) factory in Eindhoven. It also plans to expand capacity for making audio and video tapes at its PD Magnetics subsidiary which it jointly owns with Du Pont of the U.S.

The company expects to begin production of 30,000 kilometres of glass fibre cable annually later this year, though capacity could be doubled within the foreseeable future. This expansion will make it one of the first companies in the world to begin large scale production, it said.

The Dutch group makes fibres according to its own "plasma chemical vapour deposition" process. Glass fibre cable is expected to play a major role in telecommunication systems providing large-volume high-quality transmissions using only a fraction of the space of conventional cables. Philips has experimented successfully in the Netherlands and West Berlin.

One third of Philips' production will be supplied to third parties in coated form but the remainder will be supplied in an unfinished form to group companies such as NKF in the Netherlands and Felten and Guillaume of West Germany.

Moratorium on offshore units in Bahrain

By Mary Frings in Bahrain

THE BAHRAIN Monetary Authority has announced a 12-month moratorium on the formation of new publicly owned offshore banking units (OBUs) and investment companies. The BMA said there was a queue of applicants to launch public share issues, and that it was important to manage such issues in the best interests of the market.

The four offshore share issues already approved for Bahrain International Bank (BIB), the Kuwaiti-Bahraini Group Investment Company, Arab Investment Corporation, and the Bahrain Middle East Bank (whose chairman is Mr Abdul Rahman al Atigi, a former Kuwaiti Finance Minister) are considered enough for the current year.

There may be less Kuwaiti money available for offshore investment later this year, following the approval by the Kuwait central bank of a number of Kuwaiti companies. Some of these have as many as 3,000 shareholders, although they are not officially considered to be public companies.

The U.S.$28m BIB share issue is believed to have attracted some $8bn worth of applications, although counting is not yet complete. Apart from the 20 per cent of the issue specifically reserved for Bahraini investors, the bulk of the money subscribed originates from Kuwait.

Even though the issue is at least 280 times covered, subscribers are required to make a 5 per cent cash deposit, and to obtain bank facilities to cover the remaining 95 per cent, for the total number of shares applied for.

● At its recent board meeting, the BMA granted a full offshore licence to the first Turkish bank to enter the Bahrain market, Yapi Ve Kredi Bankasi AS.

A number of other OBU licences were approved in principle but the banks will not be named until they have complied with certain BMA requirements. Representative office licences were granted to the Industrial Bank of Japan, Banco Itau (Brazil), and Banca Nationale del Lavore (Italy).

Richard C. Hanson in Tokyo, looks at the progress in Europe of the world's largest zipper maker

YKK builds up 35% market share

SEVENTEEN years ago Yoshida Kogyo KK (better known as YKK), the world's largest zipper maker, made what appeared to be a rather risky decision (for a Japanese company of the day) to invest in Europe.

The modest plant it built in The Netherlands cost about $200,000 in 1964. YKK's annual sales in Europe at that time amounted to a mere $35,000.

Mr S. Nishizaki, the managing director in charge of overseas operations, recalls that in those days Japanese wages were still below those in Europe. But YKK calculated—correctly, as it turned out—that its technology and know-how would win the day. YKK now has nine full plants in Europe, and 50 sales outlets, which generate annual revenues of about $200m.

The company estimates it holds about 35 per cent of the zipper market in Europe, a share that has proved overwhelming to all but a handful of local producers.

YKK's total investments in Europe are worth about $170m. It employs about 1,900 people of whom only 120 are Japanese. This represents 7 per cent or 8 per cent of all the money the YKK group has invested around the world.

Europe accounts for roughly 8 per cent to 9 per cent of the group's zipper sales worldwide. The company has not yet expanded its other main lines of business, aluminium products, to Europe.

Better service

YKK is one of the most successful of all the Japanese companies which have invested in manufacturing in Europe. It was in fact the second company, after Honda in Belgium, with the foresight to do so. It became the first Japanese company to build in the Netherlands, the UK, France, Italy and Spain. It is represented in virtually all parts of Western Europe by sales, assembly or full scale production plants.

Mr Nishizaki says the main reason for investing in Europe was to provide better service to the various markets in Europe. The Netherlands plant was initially to serve all of Europe. The company soon found it more expedient to branch out from its Dutch base.

YKK was quick to react to the way the tides in international trade frictions were flowing. Decisions to upgrade the European presence reflected unfavourable moves against its imports from Japan. The company reached an amicable settlement with the EEC Commission over an anti-dumping suit in the early 1970s.

It had to struggle with various now defunct rules on the content of local production which restricted its trade. European resistance to YKK's market takeover through imports reached a peak in 1973. Since then YKK has steadily reduced its imports from Japan to about 10 per cent of total sales. Imports are mostly used to meet specialised or sudden demand.

In many ways YKK is the ideal investor from Japan. Mr Nishizaki, who was in at the start up of the Dutch plant, says his company made the decision to go to the Netherlands in large part because of the highly favourable incentives offered by the Dutch government. In turn YKK has a record of co-operating in the industrial development plans of the host government by locating its plants in new development zones, even if these are sometimes more distant from main market centres than YKK would like.

Customer loyalty

YKK considers its continuing success in Europe is due not so much to any technological advantage—Opti and Lightning, made by Optilon, the IMI of the UK associate, and the only serious competition, are technologically YKK's equal, according to Mr Nishizaki. YKK does, however, claim to be much better at winning corporate customer loyalty from companies. Opti concentrates on the retail market. The Talon, Textron of the U.S. product, tried to break into the YKK dominated European market only to pull up stakes in frustration.

On the other hand, YKK has not been isolated from the general economic woes of Europe. Mr Nishizaki admits that the growth in European business is inferior to other regions, reflecting a general decline in the European garment industry. The company, however, still takes an optimistic view of Europe mostly because of its ability to develop new uses for zippers.

It has, for example, sown up about 70 per cent of the market for zippers used in ladies boots made in Italy. YKK claims its technology made tight-fitting zipper boots possible.

Trafalgar Housing well ahead

BY KEVIN RAFFERTY IN HONG KONG

TRAFALGAR HOUSING, one of the most ambitious and adventurous of Hong Kong's property group's, has announced after-tax profits for the half year to September 30 of HK$36.1m (U.S.$6.24m), a rise of 44 per cent on the previous corresponding period. Earnings per share were 6.5 cents compared to 6 cents in the 1980-81 first half.

Mr Wu Chung, the chairman, said the record profits and dividends would be maintained in the current year. For all 1980-81 Trafalgar made after-tax profits of HK$164.9m or 32.1 cents a share.

The company has been trying to diversify, using its property profits to promote investment in natural resources and in prawn farming. It has also been active in promoting links with China, both in its property and its marine products division. It is developing the Tin Shui Wan satellite town in partnership with China Resources and also has a pilot prawn farm in Tianjin in China.

● HONGKONG LAND holds some 34.1 per cent of the issued capital of Hongkong Telephone and about 25 per cent of its issued warrants.

Mr Trevor Bedford, managing director of Land is to be invited to join the board of Hongkong Telephone. Mr David Newbigging, the chairman of Land and of Jardine Matheson, has sat on the board of the telephone company for some years.

Hongkong Land wanted just under 35 per cent of the telephone company, the trigger point under which a general bid would have to be made. However, because of the widely dispersed nature of the Hongkong Telephone shareholding, Land has effective control.

Hongkong Land has assured the telephone company that it intends its holdings to be a long-term investment.

Fujitsu to expand U.S. production

BY OUR FINANCIAL STAFF

FUJITSU, the leading Japanese computer manufacturer, with which ICL of Britain has a sales and technology agreement, has announced that it will start assembly in the U.S. later this year of 64K random access memories — semiconductor "chips" capable of storing about 64,000 items of information.

The company is to assemble the memories at its existing subsidiary in San Diego, California and hopes to begin production in the summer. No rate of output has been decided.

Japanese manufacturers claim to account for 80 per cent of world production of 64K RAMs, with a high proportion of these being sold in the U.S. market.

Fujitsu said yesterday that it was launching its U.S. assembly project in anticipation of increased demand for 64K RAMs in the U.S., and in advance of any possible trade restrictions on Japanese-made semiconductor devices.

Liberty Life lifts stake in Plate Glass

By Jim Jones in Johannesburg

LIBERTY LIFE, South Africa's largest quoted life assurance company, has acquired a further 2.5m shares in Plate Glass and Shatterprufe Industries (PG), at an undisclosed price in an off-market transaction. The purchase raises Liberty's interest in PG by 11.8 per cent to about 22 per cent. The acquisition does not constitute a change of control and a comparable offer will not be made to minority shareholders.

In a further move PG is considering splitting itself into two listed companies, separating its glass and non-glass interests. PG is a major supplier of building materials, timber and aluminium products.

In the six months ended September 30, 1981 PG's turnover was R238.5m ($245m) compared with R357.7m for the year to March 1981. First half pretax profits was R33.5m compared with R55.6m in the preceding year.

At the close of trading on the Johannesburg stock exchange on Wednesday, PG's shares stood at 1,125 cents giving the company a market capitalisation of R168m.

Lion group seeks listing in Malaysia

By Wong Sulong in Kuala Lumpur

THE LION group of companies, a fast expanding industrial concern operating in Malaysia and Singapore, is planning to go public with the flotation of one of its subsidiaries.

The group, controlled by the Cheng family, is seeking a listing on the Kuala Lumpur exchange for Lion Corporation Berhad. With a paid-up capital of 9m ringgit (U.S.$3.96m), Lion Corporation is making a new issue at par value of 3m shares of 1 ringgit each to the public, of which 900,000 would be reserved for Bumiputras.

Lion Corporation, incorporated in 1972, is involved in the manufacture of office and hospital equipment, and rubber products. For 1980, it made an after-tax profit of 1.1m ringgit and paid a 20 per cent dividend. Net profits are forecast for 1981 and 1982 at 1.7m and 1.8m ringgit respectively, and a 10 per cent dividend is expected to be paid for each of those years.

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS FUNDS

Adig Investment · Albany Fund Management Limited · Allen Harvey & Ross Inv. Mgt. (C.I.) · Alliance International Dollar Reserves · Arbuthnot Securities (C.I.) Ltd. · B.I.A. Bond Investments AG · Bank of America International S.A. · Barclays Bancorp (Jersey) Ltd. · Barclays Unicorn International · Bishopsgate Commodity Ser. Ltd. · Bridge Management Ltd. · Britannia Intl. Investment Mngmt. Ltd. · Brown Shipley Tst. Co. (Jersey) Ltd. · Butterfield Management Co. Ltd. · CAL Investments (IoM) Ltd. · Capdirex S.A. · Capital Asset Managers Ltd. · Capital International Fund S.A. · Central Assets Management Ltd. · Charterhouse Japhet · Clevelon Commodities (Isle of Man) Ltd. · Cornhill Ins. (Guernsey) Ltd. · Cortexa International · Craigmount Fixed Int. Mngrs. (Jersey) · DWS Deutsche Ges. F. Wertpapiersp · Delta Group · Deutscher Investment-Trust · Dreyfus Intercontinental Inv. Fd. · Duncan Lawrie Inv. Mgt. Ltd. · Emson & Dudley Tst. Mgt. Jrsy. Ltd. · The English Association · Eurobond Holdings N.V. · S.G. Europe Obligations S.A. · Eurolux Investments Ltd. · F & C Mgmt. Ltd. Inv. Advisers · Fidelity International Ltd. · Fleming Japan Fund S.A. · Frankfurt Trust Investment-GmbH · Free World Fund Ltd. · G. T. Management (U.K.) Ltd. · Gartmore Invest. Ltd. Ldn. Agts. · Gartmore Fund Managers (C.I.) Ltd. · Gartmore Fund Managers (IOM) Ltd. · Assicurazioni GENERALI S.p.A. · Granville Management Limited · Guinness Mahon Fd. Mgrs. (Guernsey) · Hambro Pacific Fund Mgmt. Ltd. · Hambros Fd. Mgrs. (C.I.) Ltd. · Henderson Admin. (Guernsey) Ltd. · Henderson Baring Group · Hill-Samuel & Co. (Guernsey) Ltd. · Hill Samuel Investment Mgmt. Intl. · I.C. Trust Managers Ltd. · IGF Management Services Inc. · N.V. Interbeheer · International Bond Trust · International Pacific Inv. Mgmt. Ltd. · Investment Advisers, Inc. · Invicta Investment Management · Jardine Fleming & Co. Ltd. · Leopold Joseph & Sons (Guernsey) · King & Shaxson Mngrs. · Kleinwort Benson Group · Korea International Trust · The Korea Trust · Lazard Brothers & Co. (Jersey) Ltd. · Lloyds Bk. (C.I.) U/T Mgrs. · Lloyds Bank International, Geneva · Lloyds Bank International, Guernsey · M & G Group · Management International Ltd. · Midland Bank Tst. Corp. (Jersey) Ltd. · Samuel Montagu Ldn. Agents · Minerals, Oils Res. Shrs. Fd. Inc. · Murray, Johnstone (Inv. Adviser) · Nat. Westminster Jersey Fd. Mgrs. Ltd. · Negit S.A. · N.E.L. International Ltd. · Pacific Basin Fund · Phoenix International · Providence Capital Life Ass. (C.I.) · Quest Fund Man. (Jersey) Ltd. · RBC Investment Managers Limited · Ramirez Managers Ltd. · Richmond Life Ass. Ltd. · Rothschild Asset Management (C.I.) · Save & Prosper International · Schroder Life Group · Schroder Mngt. Services (Jersey) Ltd. · J. Henry Schroder Wagg & Co. Ltd. · Schroder Unit Trust Mgrs. Int. Ltd. · Scrimgeour Kemp-Gee Mngmt. Jersey · Sentry Assurance International Ltd. · Signal Life Assurance Co. Ltd. · Singer & Friedlander Ldn. Agents. · Strategic Metal Trust Mngrs. Ltd. · Stronghold Management Limited · Surinvest (Jersey) Ltd. · TSB Trust Funds (C.I.) · Tokyo Pacific Holdings N.V. · Tokyo Pacific Hldgs. (Seaboard) N.V. · Tyndall Group · Union-Investment-Gesellschaft mbH · Utd. Intnl. Mngmnt. (C.I.) Ltd. · United States Tst. Intl. Adv. Co. · S. G. Warburg & Co. Ltd. · Warburg Invest. Mngt. Jrsy. Ltd. · World Wide Growth Management · Wren Commodity Management Ltd. · Vanbrugh Fund Mngmt. Intl. Ltd. · Van Cutsem & Associates Ltd.

[illegible]

NOTES

Prices are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. [illegible]

هكذا من الأصل

Companies and Markets

CURRENCIES, MONEY and GOLD

Dollar firm

The dollar rose in currency markets yesterday in reaction to a smaller than expected fall in U.S. money supply. Figures released late on Friday in New York pushed Euro-dollar rates firmer and Federal funds were trading at over 15 per cent, more than a point up from Friday.

Sterling was firmer overall despite losing ground against the dollar. UK interest rates still retained some attraction over other European rates and were slightly firmer despite a small reduction in the Bank of England's money market intervention rates.

The D-mark was weaker within the European Monetary System yesterday falling below an improved Italian lira. However, it was still above the Irish punt and the bottom placed Belgian franc. The Dutch guilder replaced the French franc as the strongest member.

DOLLAR — Trade-weighted index (Bank of England) 110.9 against 109.8 on Friday and 112.6 six months ago. Three-month Treasury bills 13.40 per cent (14.79 per cent six months ago). Annual inflation rate 8.9 per cent (9.6 per cent previous month)—The dollar closed at DM 2.3500 against the D-mark its highest level since mid-September and well up from DM 2.3155 on Friday. Against the Swiss franc it finished at SwFr 1.8750 compared with SwFr 1.8475 and Y232.5 from Y228.25 against the yen.

STERLING — Trade-weighted index 91.8 against 91.7 at noon, 91.8 in the morning and 91.7 at Friday's close (92.0 six months ago). Three-month interbank 14½ per cent (14½ per cent six months ago). Annual inflation 12 per cent (unchanged from previous month) — Sterling opened at $1.8740 against the dollar and lost ground to touch a low of $1.8600. It closed at $1.8610-1.8620 a fall of 1.95c. Against the D-mark it rose to DM 4.3775 from DM 4.3575, its highest level since September last year. It was also firm against the Swiss franc at SwFr 3.4925 from SwFr 3.4750.

D-MARK — EMS member (third weakest). Trade weighted index 121.3 against 121.8 on Friday and 116.2 six months ago. Three month interbank 10.25 per cent (11.95 per cent six months ago). Annual inflation 6.2 per cent (6.3 per cent previous month) — There was no intervention by the Bundesbank at yesterday's fixing in Frankfurt when the dollar rose sharply to DM 2.3407 from DM 2.3085 on Friday. Trading was rather quiet ahead of any reaction when U.S. centres open, with some dealers expecting a slightly lower dollar on profit taking. Elsewhere sterling was fixed at DM 4.37 up from DM 4.3470 and the Swiss franc was higher at DM 1.2576 compared with DM 1.2515.

ITALIAN LIRA — EMS member (central position). Trade weighted index 55.1, unchanged from Friday and 57.5 six months ago. Three-month Euro-lira 23½ per cent (29½ per cent six months ago). Annual inflation 17.9 per cent (18.2 per cent previous month)—The lira sank to its lowest level since last August against the dollar at yesterday's fixing in Milan. The dollar rose to L1,253.3 from L1,238.05 on higher interest rates while the D-mark slipped to L535.19 from L536.30. The French franc was also lower at L210.39 against L210.68.

JAPANESE YEN — Trade weighted index 139.7 against 141.2 on Friday and 138.2 six months ago. Three-month bills 6.59375 per cent (7.46875 per cent six months ago). Annual inflation rate 4.3 per cent (3.6 per cent previous month)—The yen lost ground against the dollar in Tokyo yesterday. The U.S. unit rose to Y230.90 from Y228.45 but was below its best level of the day.

THE POUND SPOT AND FORWARD

Feb 1	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.8600-1.8760	1.8610-1.8620	0.07-0.17c dis	[illegible]	[illegible]	[illegible]
Canada	2.2340-2.2450	2.2350-2.2360	[illegible]	[illegible]	[illegible]	[illegible]
Nethlnd.	4.78-4.81	4.79¼-4.79½	[illegible]	[illegible]	[illegible]	[illegible]
Belgium	74.25-74.80	74.25-74.35	[illegible]	[illegible]	[illegible]	[illegible]
Denmark	14.30-14.37	14.30¼-14.31¼	[illegible]	[illegible]	[illegible]	[illegible]
Ireland	1.2520-1.2470	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
W. Ger.	4.36-4.39	4.37¼-4.38¼	[illegible]	[illegible]	[illegible]	[illegible]
Portugal	125.50-127.00	125.80-126.10	[illegible]	[illegible]	[illegible]	[illegible]
Spain	184.50-186.10	184.60-184.90	[illegible]	[illegible]	[illegible]	[illegible]
Italy	2,332-2,343	2,332-2,334	[illegible]	[illegible]	[illegible]	[illegible]
Norway	11.05-11.10	11.05-11.06	[illegible]	[illegible]	[illegible]	[illegible]
France	11.11-11.15	11.11¼-11.12½	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	10.64-10.68	10.64-10.65	[illegible]	[illegible]	[illegible]	[illegible]
Japan	430-436	432¼-433¼	[illegible]	[illegible]	[illegible]	[illegible]
Austria	30.55-30.80	30.57-30.62	[illegible]	[illegible]	[illegible]	[illegible]
Switz.	3.47-3.51	3.48¼-3.49¼	[illegible]	[illegible]	[illegible]	[illegible]

Belgian rate is for convertible francs. Financial franc 82.60-82.80. Six-month forward dollar 1.12-1.22c dis. 12-month 1.90-2.00c dis.

THE DOLLAR SPOT AND FORWARD

Feb 1	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.8600-1.8760	1.8610-1.8620	0.07-0.17c dis	[illegible]	[illegible]	[illegible]
Ireland†	1.4970-1.4990	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Canada	1.1980-1.2015	1.2005-1.2010	[illegible]	[illegible]	[illegible]	[illegible]
Nethlnd.	2.5600-2.5700	2.5685-2.5695	[illegible]	[illegible]	[illegible]	[illegible]
Belgium	39.80-39.93	39.90-39.92	[illegible]	[illegible]	[illegible]	[illegible]
Denmark	7.6995-7.6900	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
W. Ger.	2.3310-2.3520	2.3495-2.3505	[illegible]	[illegible]	[illegible]	[illegible]
Portugal	67.10-67.80	67.60-67.80	[illegible]	[illegible]	[illegible]	[illegible]
Spain	99.25-99.45	99.25-99.35	[illegible]	[illegible]	[illegible]	[illegible]
Italy	1,250-1,256	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway	5.9200-5.9375	5.9300-5.9350	[illegible]	[illegible]	[illegible]	[illegible]
France	5.9550-5.9765	5.9715-5.9765	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	5.6970-5.7200	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan	230.50-232.70	232.45-232.55	[illegible]	[illegible]	[illegible]	[illegible]
Austria	16.36-16.46	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Switz.	1.8550-1.8770	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Feb. 1	Bank of England Index	Morgan Guaranty Changes %
Sterling	91.8	[illegible]
U.S. dollar	110.9	+3.6
Canadian dollar	85.7	-16.3
Austrian schilling	116.0	+24.0
Belgian franc	104.5	+7.4
Danish kroner	83.7	[illegible]
Deutsche mark	121.3	+43.5
Swiss franc	[illegible]	[illegible]
Guilder	115.9	+19.3
French franc	79.7	-15.2
Lira	55.1	-57.1
Yen	139.7	+35.9

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Jan. 29	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	[illegible]	[illegible]	[illegible]
U.S. $	[illegible]	[illegible]	[illegible]
Canadian $	[illegible]	[illegible]	[illegible]
Austria Sch.	[illegible]	[illegible]	[illegible]
Belgian F.	[illegible]	[illegible]	[illegible]
Danish Kr.	[illegible]	[illegible]	[illegible]
D mark	[illegible]	[illegible]	[illegible]
Guilder	[illegible]	[illegible]	[illegible]
French Fr.	[illegible]	[illegible]	[illegible]
Lira	[illegible]	[illegible]	[illegible]
Yen	[illegible]	[illegible]	[illegible]
Norwgn. Kr.	[illegible]	[illegible]	[illegible]
Spanish Pta.	[illegible]	[illegible]	[illegible]
Swedish Kr.	[illegible]	[illegible]	[illegible]
Swiss Fr.	[illegible]	[illegible]	[illegible]
Greek Dr'ch.	[illegible]	[illegible]	[illegible]

OTHER CURRENCIES

Feb. 1	£	$		Note Rates
Argentina Peso	18,758-18,778†	10,025-10,0[illegible]	Austria	[illegible]
Australia Dollar	1.7025-1.7045	0.9125-0.9130	Belgium	[illegible]
Brazil Cruzeiro	249.94-250.94	133.77-134.44	Denmark	14.25-14.45
Finland Markka	8.318-8.332	4.4770-4.4780	France	11.08-11.18
Greek Drachma	109.838-113.201	60.08-60.28	Germany	4.35¼-4.39¼
Hong Kong Dollar	10.93-10.95½	5.8550-5.8650	Italy	2340-2420
Iran Rial	150.75*	80.10*	Japan	432-437
Kuwait Dinar (KD)	0.528-0.534	0.2841-0.2843	Netherlands	4.77¼-4.81¼
Luxembourg Fr.	74.25-74.35	39.90-39.92	Norway	11.05-11.15
Malaysia Dollar	4.2500-4.2625	2.2770-2.2820	Portugal	126-133
New Zealand Dlr.	2.3330-2.3350	1.2485-1.2495	Spain	185¼-195¼
Saudi Arab. Riyal	6.36-6.42	3.4195-3.4215	Sweden	10.69-10.72
Singapore Dollar	3.8885-3.8985	2.0830-2.0850	Switzerland	3.46¼-3.50¼
Sth. African Rand	1.8185-1.8205	0.9770-0.9780	United States	1.86-1.88
U.A.E. Dirham	6.84-6.90	3.6710-3.6730	Yugoslavia	98-104

† Now one rate. * Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 1	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7572	41.6918	+2.29	+1.16	±1.5368
Danish Krone	7.91117	8.02513	+1.44	+0.31	±1.6412
German D-Mark	2.40989	2.44899	+1.62	+0.49	±1.1077
French Franc	6.17443	6.22558	+0.83	−0.30	±1.3733
Dutch Guilder	2.66382	2.68287	+0.72	−0.41	±1.5063
Irish Punt	0.684452	0.696546	+1.77	+0.64	±1.6688
Italian Lira	1300.67	1309.33	+0.67	+0.35	±4.1229

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

Sterling/ECU rate for February 1 .... 0.559252

EXCHANGE CROSS RATES

Feb. 1	Pound St'rling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.862	4.378	433.0	11.12	3.493	4.790	2333.	2.236	74.30
U.S. Dollar	0.537	1.	2.352	232.6	5.974	1.876	2.573	1253.	1.201	39.91
Deutschemark	0.228	0.425	1.	98.91	2.540	0.798	1.094	533.0	0.511	16.97
Japanese Yen 1,000	2.309	4.299	10.11	1000.	25.68	8.066	11.06	5388.	5.163	171.6
French Franc 10	0.899	1.674	3.937	389.4	10.	3.141	4.308	2098.	2.010	66.82
Swiss Franc	0.286	0.533	1.253	124.0	3.184	1.	1.372	668.0	0.640	21.27
Dutch Guilder	0.209	0.389	0.914	90.40	2.322	0.729	1.	487.1	0.467	15.51
Italian Lira 1,000	0.429	0.798	1.876	185.6	4.766	1.497	2.053	1000.	0.958	31.85
Canadian Dollar	0.447	0.833	1.958	193.7	4.974	1.562	2.143	1044.	1.	33.24
Belgian Franc 100	1.346	2.505	5.892	582.8	14.97	4.701	6.447	3140.	3.009	100.

FT LONDON INTERBANK FIXING (11.00 a.m. FEBRUARY 1)

3 months U.S. dollars		6 months U.S. dollars	
bid 15 5/16	offer 15 5/16	bid 15 1/2	offer 15 5/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Feb. 1	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	14½-14¾	14½-14¾	12½-13½	9¾-9⅞	4¾-5¼	10-10⅛	[illegible]	[illegible]	[illegible]	[illegible]
7 days' notice	14⅝-14¾	14¾-15	12½-13½	9¾-10	5-5½	10-10⅛	[illegible]	[illegible]	[illegible]	[illegible]
Month	14½-14⅝	16⅛-15⅜	14½-14⅞	10-10⅛	8¼-8⅜	10 1/16-10 3/16	[illegible]	[illegible]	[illegible]	[illegible]
Three months	14½-14⅝	15⅜-15⅝	15⅛-15⅛	10⅛-10¼	8⅝-8¾	10⅛-10¼	[illegible]	[illegible]	[illegible]	[illegible]
Six months	14½-14⅝	15½-15¾	15½-15⅞	10¼-10⅜	8¾-8⅛	10⅛-10¼	[illegible]	[illegible]	[illegible]	[illegible]
One Year	14½-14⅝	15⅛-15¾	16⅛-16½	10¼-10½	8 7/16-8 9/16	10⅛-10¼	[illegible]	[illegible]	[illegible]	[illegible]

SDR linked deposits: one month 12 27/32-13 1/32 per cent; three months 13-13⅜ per cent; six months 13 9/16-[illegible]
ECU linked deposits: one month 13 9/16-13 15/16 per cent; three months 13⅝-14 per cent; six months 13 13/16-[illegible]
Asian $ (closing rates in Singapore): one month 14 7/16-14 9/16 per cent; three months 14 15/16-15 1/16 per cent; [illegible] per cent. Long-term Eurodollar two years 15¾-16 per cent; three years 15⅞-16⅛ per cent; four years 16-16¼ per cent; [illegible]
The following rates were quoted for London dollar certificates of deposit: one month 14.70-14.80 per cent; [illegible] 14.65 per cent; one year 14.65-14.75 per cent.

MONEY MARKETS

Confused trading

London clearing bank base lending rates 14 per cent (since January 25)

Short term interest rates were subject to conflicting pressures in London yesterday as Eurodollar rates rose by ½ percentage point, while the Bank of England cut its dealing rates for buying bills from the money market.

Disappointment that last week's U.S. money supply did not show a larger fall was behind the increase in Euro-dollar rates, and in early New York trading Federal funds rose to 15½ per cent from 14 per cent despite action by the Fed to add reserves.

London interbank rates were about 1/16 per cent firmer, with periods from one-month to one-year quoted at 14½-14¼ per cent, and discount houses buying rates for three-month eligible bank bills rose to 13 27/32-13¾ per cent from 13 25/32-13 11/16 per cent, and three-month Treasury bills to 13 9/16-13 15/32 per cent from 13½-13 15/32 per cent. Buying rates for one-month bills eased however.

The easier trend in short dated bills reflected action by the authorities to cut 1/16 per cent in the buying rates for band 2 and band 3 bills, as well as cutting the dealing rate on band 4 bills by ⅛ per cent.

A shortage of £550m was forecast by the Bank of England, but this was revised to £500m in the afternoon. Major factors were: bills maturing and a take-up of Treasury bills —£210m; and Exchequer transactions —£335m; partly offset by a fall in the note circulation +£100m.

Assistance of £421m was given in the morning by purchases of £1m bank bills in band 1 (up to 14 days maturity) at 13¾ per cent; £4m Treasury bills in band 2 (15-33 days) at 13½ per cent; £197m bank bills in band 2 at 13½-13¾ per cent; £153m bank bills in band 3 (34-63 days) at 13½-13¾ per cent; and £66m bank bills in band 4 (64-84 days) at 13¾ per cent.

A further £114m of bank bills were bought by the authorities in the afternoon, making a total of £535m. This was by way of £10m in band 1 at 13¾ per cent; £63m in band 2 at 13¾ per cent; £35m in band 3 at 13¾ per cent; and £6m in band 4 at 13⅝ per cent.

Call money was unchanged at 10.05 per cent in Frankfurt yesterday despite an injection of DM 8.4bn liquidity from a 35-day repurchase agreement at 9.46 per cent announced by the Bundesbank last week. A build up of funds for minimum reserve requirements by the banks at the start of a new month is likely to keep call money around its present level for the rest of the week.

MONEY RATES

NEW YORK

Prime rate	15¾
Fed. funds	15¾-16
Treasury bills (13-week)	13.40
Treasury bills (26-week)	13.40

GERMANY

Special Lombard	10.50
Overnight rate	10.05
One month	9.70
Three months	10.25
Six months	10.20

FRANCE

Intervention rate	14.75
Overnight rate	15.375
One month	15.1875
Three months	15.1875
Six months	15.1875

JAPAN

Discount rate	5.50
Call (unconditional)	6.71875
Bill discount (three-month)	6.59375

LONDON MONEY RATES

Feb. 1 1982	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	[illegible]	14⅝	—	—	14¼-14¾	13-14¼	—	—	—
2 days notice	—	—	14½-14⅝	—	—	—	—	—	—	—
7 days or ...	—	[illegible]	—	—	—	—	—	—	—	—
7 days notice	—	[illegible]	14⅛	—	—	—	—	—	—	—
One month	[illegible]	[illegible]	14½	15-14⅝	14⅞	14⅞	14	—	—	—
Two months	[illegible]	[illegible]	—	[illegible]	[illegible]	14⅞	14	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years [illegible] per cent; four years [illegible] per cent; five years [illegible] per cent. Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills [illegible] per cent; four month trade bills [illegible] per cent.

Approximate selling rate for one month Treasury bills [illegible] per cent; two months 13 7/16-13 [illegible] per cent; three months [illegible] per cent. Approximate selling rate for one month bank bills [illegible] per cent; two months [illegible] per cent and three months [illegible] per cent; one month trade bills [illegible] per cent; two months [illegible] per cent; three months 14⅛ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) [illegible] per cent from February 1, 1982. Clearing Bank Deposit Rates for sums at seven days' notice [illegible] per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount [illegible] per cent.

GOLD

Weaker trend

Gold fell $8 an ounce from Friday's close to finish at $378¾-379½ in the London bullion market yesterday. The closing level was the worst of the day after opening at $381¼-382¼ and touching a best level of $382-383.

The metal was depressed by a further rise in U.S. interest rates and dollar strength.

In Paris the 12½ kilo bar was fixed at FFr 71,500 per kilo ($373.22 per ounce) in the afternoon compared with FFr 71,500 ($374.31) in the morning and FFr 72,000 ($383.22) on Friday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 28,700 per kilo ($382.26 per ounce) against DM 28,950 ($390.01) previously and closed at $379-380 from $387-388.

	Feb. 1		Jan. 29	
Gold Bullion (fine ounce)				
Close	$378¾-379½	[illegible]	[illegible]	[illegible]
Opening	$381¼-382¼	[illegible]	[illegible]	[illegible]
Morning fixing	$381.25	[illegible]	[illegible]	[illegible]
Afternoon fixing	$379.50	[illegible]	[illegible]	[illegible]
Gold Coins				
Krugerrand	$390-391	(£209-209½)	$398-400	(£212½-213)
1/2 Krugerrand	$200½-201½	(£107½-108)	$205-206	(£109-109½)
1/4 Krugerrand	$102-103	(£54¾-55¼)	$104½-105½	(£55½-56)
1/10 Krugerrand	$41¼-42¼	(£22½-23)	$42¾-43¾	(£22¾-23¼)
Mapleleaf	$390-391	(£209-209½)	$400-401	(£212½-213)
New Sovereigns	$92¾-93¼	(£49¾-50)	$95-95½	(£50½-50¾)
King Sovereigns	$106-107	(£56¾-57¼)	$108-109	(£57½-57⅞)
Victoria Sovs.	$106-107	(£56¾-57¼)	$108-109	(£57½-57⅞)
French 20s	$90-100	(£48¼-53½)	$92-102	(£48¾-54¼)
50 pesos Mexico	$469-472	(£251¼-252¾)	$478½-482½	(£254¼-256¼)
100 Cor. Austria	$368-370	(£197¼-198¼)	$376-379	(£199¾-201¼)
$20 Eagles	$506-512	(£272¼-274¼)	$513-518	(£272½-275¼)

TECHNOLOGY

EDITED BY ALAN CANE

Telecom deal for dealers

BY JASON CRISP

BRITISH TELECOM is about to instal a new type of communications equipment for currency and commodity dealers which will make its existing equipment look fit only for a museum.

The so-called dealer boards link an individual dealer with hundreds of private and public telephone lines enabling them to talk with other dealers and bankers.

The new version of the dealer board replaces hundreds of switches and lamps with a simple visual display unit like a television which can be set into a desk.

The screen is divided into small squares. To dial a number or to be connected to a private circuit the dealer touches the square displaying the name of the person or organisation he or she wishes to call.

Just over the screen there is a criss-cross matrix of infra-red beams. When the operator touches the screen two beams are broken from which a micro-computer can interpret which part of the screen has been touched and make the appropriate connection.

While conventional dealer boards have several thousand wires from each station the new model has just six between each position and the central computer control. With the addition of a typewriter like keyboard the screen can also be used as a computer terminal, says British Telecom.

The top half of the screen is used for displaying information. The system can store up to 5,000 pages of information and can be linked to up to 1,000 telephone lines.

British Telecom says the system can be expanded so that 500 dealers can use it at one time. The biggest conventional system currently in use has 200 dealers linked to more than 1,000 private circuits.

The first system being installed is expected to be completed in March. Orders being taken at the moment are for installation in September onwards. The system costs about £6,000 for each position.

Pilkington first in the filing cabinet revolution

BY ALAN CANE

PILKINGTON BROTHERS, the glassmaker based in St. Helens, will be the first UK company to instal a device which threatens to render obsolete conventional electronic memory.

The device makes it possible to store the contents of 80,000 pages of text in an uninteresting-looking box two feet square by some three feet high.

Not only can the device, the Burroughs Ofisfile, store this massive amount of data (equivalent to 160 megabytes, in computer jargon) but the information can be retrieved quickly even if the searcher is not sure what he or she is looking for.

Investigation

Pilkington is more advanced in office automation than most UK companies. A year ago it set up a separate Office Automation Development group under Mr Ron Humphreys which has been investigating a variety of manufacturers' equipment.

Mr Humphreys says the company is impressed by Ofisfile: "*It is quite revolutionary.* We wanted a system where up to 32 terminals could share a central file, and we wanted sophisticated retrieval."

"We had the machine on trial for three weeks before deciding to order it. Our legal department put it through vigorous tests and said it was satisfied."

"Our test machine was a pre-production model so we were able to help Burroughs sort out some of the bugs.

"We like the performance of the machine and its reliability. A manager can work with the interrogation terminal in minutes. It is, however, totally dedicated to data storage and retrieval—if you want to carry out data processing, you have to move the data to another system.

"We found bugs in the software which Burroughs is now correcting—it is also making it possible to link the system to our Wordplex terminals."

Ofisfile is a single unique product, and the cornerstone, of Burroughs strategy for the office of the future. Its significance should not be underestimated. It is very easy, with today's technology, to store mammoth amounts of information in electronic form in a very small space.

The science fiction notion of the entire written output of the world captured electronically in a small box on the executive's desk is not far from the reality.

Getting that information out again, is another matter, and any company professing to offer an electronic office system must offer fast, reliable data retrieval.

So Burroughs is hardly alone. Datapoint, one of the brighter office systems companies offers AIM; Logica, the UK based software house, has had success with a software package called RAPPORT; ICL has a hardware-based system called CAFS (Content Addressable File Store) and IBM has STAIRS.

Retrieval

All of these systems work well—so what is Burroughs offering that is special? Mr Roger Johnson, president of the Burroughs Office Systems Group and vice-president of Burroughs Corporation, suggests that Ofisfile needs less of an overhead in memory terms than other systems.

What does that mean? Well, most fast retrieval systems use an indexing method where each word or phrase in the original text is catalogued. This can mean that the amount of memory needed to store the index is greater than the size of the original document.

The more sophisticated the system, the less extra storage required. The Datapoint AIM system, for example, has an overhead of only 17 per cent of the original length of the document.

Instructions

Mr Johnson claims that Ofisfile cuts these overheads to a minimum. Now, that is impossible to check, especially as Burroughs is notoriously secretive about how Ofisfile works.

It is known, however, that Ofisfile is derived in part from a technology known as Datavault, developed by System Development Corporation (SDC), which Burroughs took over two years ago.

Mr Johnson was president of the products group of SDC before joining Burroughs.

He hints that there are two separate ways in which Ofisfile works. First, there is a set of computer instructions which makes it possible to store the information in a compressed form by removing redundancy. Second, retrieval is simplified because the retrieval instructions obey the rules of English grammar.

"It obeys the phonetic rules of English," he points out, "It is programmed to follow linguistics — "understanding," for example, the importance of different prefixes and suffixes. It is truly content addressable."

He says that the Pilkington machine is still programmed to understand American-English syntax; the Queen's authorised version will be fitted soon.

It takes quite a lot of memory to run Ofisfile — about three-quarters of a megabyte which is not far short of the size needed to contain the operating system for a large computer. It is, however, very small measured against the claimed 160 megabytes of user storage.

One of the more exciting ways in which Ofisfile (it is basically just an intelligent filing cabinet) can be used is in conjunction with a digital optical character reader, a device which can scan written or typed script and convert the characters to electronic impulses which computers can store and manipulate.

Burroughs claims it is possible to use an OCR to scan and put information into the Ofisfile automatically (as opposed to using armies of input clerks to key the data in manually) and still retain all the retrieval advantages of the Ofisfile software.

According to Mr Johnson, Ofisfile is the powerhouse of the Burroughs office offering, called Ofis 1, consisting of word processors, terminals, controllers and work stations.

Burroughs has a fine reputation for the quality of its computer technology, and is well established in both the office and the computer area.

Nevertheless, it is not seen as financially secure as it was only a few years ago when it and IBM were reckoned to be the only mainframe makers who could survive a calamitous downturn in the market.

Burroughs needs a success with Ofis 1. The company has already set up customer councils at which key individuals from major companies are invited to help Burroughs better understand the market and the place of its machines in it.

The first European council will be held in March in Rome.

ROGER JOHNSON: Ofisfile cuts overheads, but only a hint at how the system works.

High-speed colour film from 3M

By Glyn Genin

THE PHOTOGRAPHIC Products Group of 3M UK is to market a 640ASA colour transparency film — claimed to be the world's fastest.

The film — 3M Colour Reversal 640T — is balanced for tungsten light sources and is designed for a variety of low light applications.

Field trials have shown the film to be ideally suited for indoor sports, news and theatrical work, offering high image sharpness and extended exposure latitude.

Films are processed using Kodak E6 chemistry and film speed can be pushed as much as two full stops to 2500ASA with some sacrifice in quality.

The film will be available in 35mm stock only in packs of five 36-exposure cassettes.

640T is one of six new films announced by 3M, two further reversal films rated at 400 and 100 ASA and balanced for daylight, and three colour negative films: a 100 and 400ASA in the 45mm format and 100ASA 120 rollfilm.

3M is establishing a network of professional dealers. The first to be appointed is Keith Johnson Photographic, London.

Warning on soldering guns

SIXTY-WATT soldering guns made in Taiwan are dangerous and should not be used, Humberside County Council has warned. The guns, which cost £1-£2, should be destroyed or taken to the local trading standards office.

Faults in the appliances, 10,000 of which had been imported to Britain, included inadequate insulation, the possibility of the barrel becoming live, lack of instructions on fusing and earthing, a substandard power supply cord, and no grip on the handle to prevent the wires being pulled out.

Beckman's 'simple' spectrophotometer

BY GEOFFREY CHARLISH

UNTIL THE latter half of the '70s *the one factor likely to slow* down routine spectorgraphic analysis in science and industry was the time taken to deal with the results and obtain useful numbers.

All that changed with the arrival of the microprocessor so that, almost a decade later, the majority of major measuring instruments of all kinds have some form of micro-assistance.

Research

At the same time, the basic measuring systems have been both size-reduced and improved in performance, yielding compact, highly efficient instruments.

The latest example comes from Beckman RIIC of High Wycombe (0494 41181). It is an ultraviolent/visible spectrophotometer, the DU-7, and is *simple enough in design* to allow almost anyone in a research or industrial environment to use it. It is also not unduly expensive at a *starting* price of about £7,000.

Basically, instruments of this kind successively project light of different wavelengths (colours) through the sample (usually contained in a solution) and measure the amount transmitted in each case.

Because *different* materials have different transmission spectra, composition of the sample can be subsequently derived. The instruments have widespread application in the food, brewing, paint, pharmaceutical, cosmetics and chemical industries.

Apart from raising the lid and inserting the sample into a carrier, use of the DU-7 entirely centres on keyboard and screen (the former is liquid-proof, the latter a useful eight inches across the diagonal).

The user simply keys in the data for the scan by filling spaces on a formatted screen — such things as scan speed in nanometres/min, mode (transmission or absorbance), and the start and *finish wavelengths.*

Within a few seconds, the spectrograph appears on the screen. The fact that it is then *held in a digital store allows* a great deal of manipulation to follow.

THE DU-7 Beckman spectrophotometer should have wide application in industry, research, education and medicine.

Derivative

For example, parts of the spectrum can be "zoomed in" with expansion of wavelength or transmittance aborbance scales.

At the touch of a button or two the traces can be mathematically differentiated to obtain *derivative spectra, or the* logarithm may be taken of the absorbance scale to accentuate fine details in the spectrum.

For comparison purposes, up to six traces, held in the store, can be overlaid one on the other for ease of comparison.

When specific values at a point on the trace need to be known a cross hair on the display is *simply instructed* to move over the trace to the required point. Then, the pair of values appears under the graph.

By further application of the microprocessor, the DU-7 designers have arranged for the five highest peaks in the trace to be automatically identified and displayed numerically. Peak height, concentration (of the target substance in solution) and absorbance ratio at two wavelengths are all similarly produced in a few seconds.

At any time, anything on the screen can be printed out exactly as it is displayed.

LaBour glandless pump answer to seal problems

By Max Commander

A GLANDLESS PUMP, able to achieve total shaft seal without the cost of gland packings or traditional mechanical seals is possibly the answer to sealing difficult liquids, says LaBour Pump of Wellingborough, Northants.

The LaBour fluodynamic seal pump *costs about 10 per cent* more than conventional pumps but should eliminate the costs of replacing glands or seals, plus inconvenience, of downtime in a process plant.

LaBour, which expects to sell at least 200 of its new pumps this year, claims that a breakthrough has been achieved by fitting a second impeller in the pump chamber. This generates a centrifuge which pushes abrasive liquids away from the shaft, thus eliminating the need for gland packing.

Although the principle is not, basically, new the LaBour *device is said to keep the shaft* sealed when it is not pumping.

More from 0933 225080.

Water meter

A WATER meter for industrial and commercial premises, using the multi-jet principle and available in two sizes is announced by Rhodes and Son of Romford, Essex (0708 62333).

For a flow range between 3-5m³/hr the meter has threader 1 in connections, but 1¼ in connections for a flow rate of 7-10m³/hr.

The RVM series meter is fitted with an integral wet dial counter to total the volume passed with discrimination to 0.5 litre.

Professional TV colour camera

THE LATEST colour television camera for professional field use from Crow of Reading, the CEI-300 series, makes use of a microprocessor to deal automatically with adjustments that sometimes need to be made quickly and accurately during outside-broadcast work.

Made by CEI in Sunnyvale, California, the camera makes things particularly easy for the cameraman by scrolling instructions and statements across his viewfinder screen whenever he has to take corrective action that the camera itself cannot apply with its normal automatic circuits.

Crow believes the technique will be invaluable for camera crews, especially in the stress conditions of field production where ambient light conditions can change drastically in a short time.

Resetting claims Crow, can usually be accomplished in seconds with virtually no interruption to production whereas, in the worst cases, the manual equivalent can take an hour.

One of the parameters that can change during electronic field production (or EFP, the new name for outside broadcast, OB) is colour temperature of the lighting.

If changes occur beyond the camera's normal automatic correction ability the "white balance" situation can be checked against any small white area in the scene.

If balancing is needed a flashing "W" appears in the lower left-hand corner of the screen with a brief instruction for raising or lowering the gain of red, green or blue channels. More on 0734 595025.

GEOFFREY CHARLISH

WORLD STOCK MARKETS

Early Wall St. retreat of 11.2

A SHARP and widespread setback occurred on Wall Street in much-reduced although fairly heavy trading yesterday morning.

The cause of the steep stock market decline was the much-smaller-than-expected $600m fall in the M-1 measure of the money supply, announced late last Friday. This left the aggregate far above its target level, fuelling concern that the Federal Reserve would start tightening credit.

The Dow Jones Industrial Average, which rallied 26 points last week, retreated 11.23 to 859.87 at 1 pm. The NYSE All Common Index fell 79 cents to $68.60, while declines outpaced rises by a ratio of three-to-one. Trading volume amounted to 33.71m shares, well below last Friday's very heavy 1 pm total of 52.85m.

Larry Wachtel, of Bache Group, commented, however, that the market was ripe for profit-taking after its recent good recovery. "Once profit-taking has exhausted itself, the same power the market had last week should reassert itself," he added.

Technology stocks were particularly weak, with Hewlett-Packard losing 1½ to $29½, IBM ⅞ to $63⅛, Comsat 1¾ to $66, Honeywell ⅞ to 74⅜ and Texas Instruments 1⅛ to 84⅜. Texas Instruments fell 1⅛ to $79⅞ after reporting lower earnings.

Other stocks under pressure from poorer earnings included Allied, down ⅞ at $43, and United Technologies, off ¾ at $39⅝. Pan-Am eased ⅛ to $3⅞ and Eastern ⅛ to $6. Both reported losses last week.

The Oil group looked weak, in part because several of the issues were trading ex-dividend, including Phillips, Gulf, Standard Oil California and Atlantic-Richfield.

THE AMERICAN SE Market Value Index receded 3.31 to 293.35 at 1 pm on volume of 3.06m shares (4.68m).

Closing Prices for North America were not available for this edition.

Canada

Markets were also inclined to decline in Canada in light early trading yesterday. The Toronto Composite Index was down 21.7 at 1,765.2 at noon, while Golds dipped 27.9 to 2,531.0, Metals and Minerals 29.0 to 1,653.2 and Oil and Gas 78.9 to 3,147.5.

Tokyo

Stocks developed an easier tendency in quiet dealings, reflecting the weakening yen and uncertainty over future U.S. interest rate movements.

The Nikkei-Dow Jones Average shed 29.04 to 7,909.79 and the Tokyo SE index 1.38 to 581.38. Volume totalled only 200m shares on the First Market, against 240m registered in Saturday's half-day session.

Throughout the day, investors tended to be sidelined, awaiting the reaction of the London and Wall Street markets to the smaller-than-expected decline in the U.S. money supply figures, announced last Friday.

Hong Kong

Stock prices closed a languid session mixed yesterday, with the Hang Seng index down a slight 1.4 at 1,416.02. Combined turnover on the four exchanges came to HK$144.3m, barely changed from last Friday's thin HK$146m.

Brokers commented that most of the activity was focused on second and third-line shares, while investors were still not back in the market in force following the Lunar New Year holiday last week. Several brokers added that when interest rates resume their downtrend, it could trigger some strong buying of Hong Kong stocks, but that significant movement is unlikely until the end of the month.

Swire Properties improved 20 cents to HK$7.10, but China Light contrasted by declining that amount to HK$14.10.

Germany

Bourse prices displayed a bias to higher levels with dealers reporting an increase in domestic orders as the session progressed despite concern over a possible Government job creation programme. The Commerzbank index edged up 1.2 to 691.6.

Pharmaceuticals Schering was in demand, rising DM 3.90 to DM 289.90. Preussag shrugged off recent news of a rights issue and gained DM 4.20 to DM 205.90 on hopes of a dividend increase.

Among Engineerings, Deutsche Babcock rose DM 2.50, Mannesmann DM 1.80 and GHH DM 1, while in Electricals, SEL put on DM 5 to DM 262.

Public Authority Bonds were firmer for choice, recording gains of up to 40 pfennigs but also losses limited to 15 pfennigs. The Bundesbank sold DM 2.5m of paper in Frankfurt after selling DM 54m last Friday.

The Federal Government was offering Schuldschein Promissory Notes at slightly lower yields than on Friday, with five-year paper at 9.98 per cent and 10-year paper at 9.91 per cent.

Switzerland

After Friday's firmer trend, shares reverted to a downward course over a broad front in light dealings. The Swiss Bank Corporation Industrials index retreated 3.6 to 249.6.

The decline in U.S. money supply, reported just before the weekend, was not large enough to stem fears that interest rates would firm, and this plus the U.S. dollar's rise against the Swiss franc kept potential buyers on the sidelines. Additionally, brokers said the Swiss market was anticipating a downturn on Wall Street.

Credit Suisse shed 40 to SwFr 1,920, Oerlikon-Buehrle 35 to SwFr 1,320, Sandoz 100 to SwFr 4,225 and Nestle 60 to SwFr 3,090.

Paris

The market turned easier on meeting profit-taking, with sentiment dampened by disappointing december trade figures and a rise in short-term interest rates. The Indicateur de Tendance index receded 0.3 to 113.1.

Declines, which outnumbered advances by 97 to 60 in the French section, appeared to be concentrated in the Metals, Foods and Chemicals sectors. Some selective buying was observed among Banks, Portfolios and Oils.

Noticeably higher against the general trend were Bail-Equipement, Simonord, Guyenne, CEM, Paris-France, Sogerap, Delfins, Mies, Applications de Gaz and Salins, Casino, Papeteries BIS. On the downside were Opti-Paribas, Casino, Papeteries Gascogne, CIT-Alcatel, Ostier, Merieux and Fraissinet.

Australia

Markets were closed yesterday for the Australia Day holiday.

Johannesburg

Gold shares declined in moderate trading as the Bullion price slipped below the $380 per ounce mark.

Most Gold Producer losses were small, however, with Heavyweight Randfontein down 75 cents at R53.00 and some Lightweight issues showing proportionately larger falls, as in Saltiee, down 25 cents at R4.25.

Industrials were narrowly mixed, but Edgars Consolidated Investments, the holding company of Edgars Stores, a large retail clothing chain, advanced strongly. The stock jumped R4.50 to R12.50 on rumours that South African Breweries is planning a take-over bid. SA Breweries recently acquired another retail group, [illegible] Stores, and is known to be looking for large take-over targets.

Indices

NEW YORK —DOW JONES

	Jan. 29	Jan. 28	Jan. 27	Jan. 26	Jan. 25	Jan. 22	1981-82 High	1981-82 Low	Since Cmpil't'n High	Since Cmpil't'n Low
◆Industr'ls	871.10	864.25	842.66	841.51	842.75	845.85	1024.05 (27/4)	824.01 (25/9)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me Bnds.	57.00	56.59	56.50	56.20	56.23	56.37	65.78 (15/1/81)	54.88 (1/10)	—	—
Transport.	356.14	350.15	340.17	337.28	340.51	342.05	447.58 (16/4)	335.48 (25/9)	447.38 (16/4/81)	12.25 (8/7/32)
Utilities	107.51	106.66	105.36	104.55	104.18	104.05	117.81 (6/1/81)	101.28 (28/9)	165.32 (20/4/69)	10.5 (28/4/42)
TradingVol 000-†	73,408	66,890	50,080	44,870	43,170	44,370	—	—	—	—

◆Day's high 876.71, low 859.78.

Ind. div. yield %	Jan. 22	Jan. 15	Jan. 8	Year ago (approx
	6.55	6.52	6.38	5.79

STANDARD AND POORS

	Jan. 29	Jan. 28	Jan. 27	Jan. 26	Jan. 25	Jan. 22	1981-82 High	1981-82 Low	Since Cmpil't'n High	Since Cmpil't'n Low
Indust'ls	134.61	132.98	129.36	128.74	128.98	128.98	157.02 (6/1/81)	125.93 (25/9)	160.96 (28/11/80)	3.52 (30/6/32)
Composite	120.40	118.92	115.74	115.19	115.41	115.38	138.12 (6/1/81)	112.77 (25/9)	140.52 (28/11/80)	4.402 (1/6/32)

	Jan. 20	Jan. 13	Jan. 6	Year ago (approx)
Ind. div. yield %	5.67	5.70	5.60	4.53
Ind. P/E Ratio	7.77	7.75	8.04	9.30
Long Gov. Bond yield	14.15	14.20	14.15	12.15

NY. S.E. ALL COMMON

Jan. 29	Jan. 28	Jan. 27	Jan. 26	1981-82 High	1981-82 Low
69.39	68.58	66.78	66.49	79.14 (6/1/81)	64.96 (25/9)

Rises and Falls

	Jan. 29	Jan. 28	Jan. 27
Issues Traded	1,886	1,867	1,881
Rises	1,136	1,342	773
Falls	422	258	641
Unchanged	328	267	447
New Highs	29	26	12
New Lows	14	42	106

MONTREAL

	Jan. 29	Jan. 28	Jan. 27	Jan. 26	1981-82 High	1981-82 Low
Industrials	308.42	305.04	295.87	295.42	408.58 (27/6)	295.42 (26/1/82)
Combined	291.82	289.94	280.75	280.09	375.28 (15/6)	280.09 (26/1/82)
TORONTO Composite	1786.9	1785.1	1717.4	1704.6	2390.55 (16/7)	1704.6 (26/1/82)

NEW YORK ACTIVE STOCKS

Friday	Stocks traded	Closing price	Change on day
Brunswick	1,536,600	27	−½
Ralson Purina	1,397,700	11⅞	−¾
Phillips Petrlm.	843,300	39	−¼
Schlumbeger	715,600	54	+1⅛
Sony	711,600	17⅝	+⅛
IBM	702,100	63⅝	−⅛
Exxon	701,000	30⅝	+⅛
Heublein	692,300	39½	+½
Mobil	665,900	23½	+⅛
Schlitz	620,100	13⅞	+⅛

World indices

	Feb. 1	Jan. 29	Jan. 28	Jan. 27	1981-82 High	1981-82 Low
AUSTRALIA All Ord. (1/1/80)	(c)	548.8	545.2	541.0	737.5 (6/4)	539.9 (26/1/82)
Metal & Minls. (1/1/80)	(c)	395.6	386.1	382.5	765.2 (7/1/81)	377.6 (21/1/82)
AUSTRIA Credit Aktien (2/1/62)	55.38	55.21	55.09	55.15	66.45 (5/1/81)	53.64 (13/10)
BELGIUM Belgian SE (31/12/63)	86.88	84.51	81.45	88.45	86.89 (1/2/82)	83.53 (16/6)
DENMARK Copenhagen SE (1/1/73)	123.25	123.97	123.47	123.44	124.68 (22/1/82)	95.98 (2/1/81)
FRANCE CAC General (29/12/81)	97.5	97.00	96.7	97.1	112.5 (17/5)	77.3 (16/6)
Ind Tendance (31/12/81)	113.1	113.90	115.0	115.7	115.9 (29/1/82)	97.7 (4/1/82)
GERMANY FAZ-Aktien (31/12/58)	228.61	228.81	224.46	226.16	243.47 (5/7)	215.88 (9/2)
Commerzbank (Dec 1953)	691.6	690.46	686.2	688.1	749.0 (5/7)	666.4 (16/2)
HOLLAND ANP-CBS General (1970)	88.4	88.4	87.8	87.4	96.8 (20/8)	78.6 (28/9)
ANP-CBS Indust (1970)	68.8	69.1	68.6	68.5	76.4 (22/5)	61.4 (22/12)
HONG KONG Hang Seng Bank (31/7/64)	1416.02	1417.42	1398.36	(c)	1810.20 (17/7)	1113.77 (5/10)
ITALY Banca Comm Ital. (1972)	182.04	190.20	188.82	180.16	292.05 (3/6)	185.44 (24/7)
JAPAN** Dow Average (16/5/49)	7909.79	7918.82	7903.86	7928.55	8019.14 (17/8)	6956.52 (15/6)
Tokyo New SE (4/1/68)	581.38	581.75	581.18	583.29	603.32 (17/8)	495.79 (5/1/81)
NORWAY Oslo SE (1/1/72)	128.36	129.80	128.96	129.67	145.72 (6/8)	110.54 (3/6)
SINGAPORE Straits Times (1966)	800.55	808.27	775.75	(c)	975.28 (26/6)	775.75 (28/1/82)
SOUTH AFRICA Gold (1958)	(u)	551.0	543.4	540.0	787.8 (7/1/81)	475.8 (6/7)
Industrial (1958)	(u)	706.3	703.8	705.7	711.7 (6/1/82)	537.2 (3/2)
SPAIN Madrid SE (30/12/81)	(c)	104.24	106.08	104.39	105.28 (21/1/82)	98.17 (5/1/82)
SWEDEN Jacobson & P. (1/1/58)	604.94	614.40	616.25	636.58	660.31 (10/8)	404.17 (29/1/81)
SWITZERLAND Swiss Bank Cpn. (31/12/58)	249.6	253.2	251.1	254.1	304.2 (2/4)	242.9 (17/11)
WORLD Capital Intl. (1/1/70)	—	144.0	142.4	140.5	182.8 (6/1/81)	135.8 (28/9)

(**) Sat Jan 30: Japan Dow 7938.83 TSE 582.62.

Base values of all indices are 100 except Australia All Ordinary and Metals—500; NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluded bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK

CANADA

BELGIUM (continued)

DENMARK

FRANCE

GERMANY

AUSTRIA

BELGIUM/LUXEMBOURG

HOLLAND

ITALY

NORWAY

SWEDEN

SWITZERLAND

AUSTRALIA

HONG KONG

JAPAN

JAPAN (continued)

SINGAPORE

SOUTH AFRICA

BRAZIL

Walker hits at French farm aid

Financial Times Reporter

MR PETER WALKER, Britain's Minister of Agriculture, yesterday called for action against the French Government's massive handouts to its farmers before they destroyed the whole concept of free and equal trade in Europe.

"The magnitude of state aid in France to the Turkey industry is far greater than anywhere else in the community. The magnitude of French state aids over the whole of their agriculture dwarfs the national aids given by other member states," he said.

Speaking at the annual meeting of the British Turkey Federation in Eastbourne, he said last year the French pumped an extra £400m into their agriculture but no action was taken over what everyone agreed to be an illegal package.

"Now the new French government has announced an even greater injection of aid (£500m). It must be the duty of the EEC Commission, if they are to preserve a genuinely Common Agricultural Policy, to see that action is taken.

"There is an added injustice because in certain areas, such as dairy production, the state aid increased production for France . . . and countries like Germany and Britain had to pick up the bill for the disposal of the surplus."

Mr Walker promised his listeners that Britain's ban on foreign poultry imports would remain until the EEC Commission saw that rules for meat hygiene and inspection were fairly applied throughout Europe.

He was confident that the European Court would uphold the ban.

Metal prices slacken

BY ROY HODSON

BASE metal prices slackened in London trading yesterday. The industrial demand for most metals remains poor and weakness in gold also affected markets.

Tin continued to be a special situation because of the big buying operation and the London Metal Exchange inquiry into the trading. The backwardation—premium of the three months price over the cash price—was £582.50 at the close as cash tin fell by £42.50 to £8,597.50 a tonne and three months tin put on £15 to close at £8,015 a tonne.

Tin stocks in LME warehouses rose slightly last week by 225 tonnes to 16,610 tonnes.

Copper, lead, zinc and aluminium all fell in the day's trading. There was some hedge selling and also a reluctance to pay the higher prices for physical metal that have been notched up recently. Copper lost £9.50 a tonne for cash metal to close at £863.50, cash lead closed at £353.75, a fall of £12.75, cash zinc closed at £456.50, a fall of £7.25, and aluminium closed at £597 for cash, a fall of £4.

Stocks of copper held in LME warehouses fell by 1,700 tonnes last week to 123,975 tonnes. Lead stocks rose by 1,250 tonnes to 60,525 tonnes. Zinc stocks fell 1,200 tonnes to 67,350 tonnes. Aluminium stocks rose 350 tonnes to 167,825 tonnes. Nickel stocks rose 102 tonnes to 2,196 tonnes, and silver stocks rose by 40,000 ounces to 32,890,000 ounces.

With western world aluminium ingot stocks now standing at more than 3m tonnes, Howmet Aluminum Corporation of the U.S. is the latest producer to cut output. It intends to reduce production at the Lastaleo smelter in Maryland by 15,000 tonnes a year.

Further fall in cocoa

By Our Commodities Staff

COCOA PRICES on the London futures market lost further ground yesterday as disappointment at the outcome of last week's International Cocoa Council meeting continued to depress the market.

Dealers attributed the £25 fall to £1,141.50 a tonne in the May quotation to continued liquidation of earlier purchases by speculators who had hoped for positive action to be agreed at the Council meeting last week in London to pave the way for more support buying.

In the event, the meeting merely authorised the buffer stock manager to continue negotiations for loans to finance further buying and doubled the levy on exports to 2 cents a pound instead of the 1 cent's which had been hoped for.

A Brazilian banking consortium has offered loans ranging from $75m to $120m, the lower figure being conditional on a 2 cents levy and the higher on 3 cents. A proposal for a 3 cents levy, rejected by consumers, especially West Germany, last week, will be reconsidered at the next Council meeting in March.

London dealers said yesterday they expected the higher levy to be agreed at the March meeting and reasoned therefore that last week's outcome was no more than a temporary setback to market support plans.

ORANGE JUICE

Florida's loss may be Brazil's gain

BY NANCY DUNNE IN WASHINGTON

ALTHOUGH THE U.S. Department of Agriculture (USDA) will not release its first authoritative report on the recent frost damage to Florida's orange crop until February 10, one outcome of the killer cold which struck on January 11 and 12 has become abundantly clear: the calamity has helped save the Brazilian citrus industry from disaster.

The Brazilians had watched the Florida crop recover faster than expected from last year's frost with the USDA in December predicting 7.3m short tonnes for 1981-82. They were preparing to trim their own production and even to destroy fruit to maintain prices.

However, two days after the frost struck they sold 154,500 tonnes of concentrate for $1,100 a tonne to U.S. distributors, who had taken options on it in case of emergency. Now Brazilian producers are joyfully expecting a yearly export total of 800,000 tonnes of frozen concentrates this year, up from 633,913 tonnes last year and 401,144 in 1980.

"The frost has saved the Brazilian orange juice industry and given it the funds to reinvest in new groves," says Mr Michael Paulenof, citrus analyst for Smith Barney Harris Upham.

Speculation abounds on the extent of the damage in Florida. Preliminary figures issued by Florida Citrus Mutual, a growers' organisation, indicate that the frost and the warm weather immediately following it which accelerated rotting may have destroyed 28 per cent of the crop.

Some analysts, like Mr Bernard Savaiko of Paine Webber, estimate even higher damage. "From reports of people who have gone out in the fields, I believe the damage could amount to 30-35 per cent," Mr Savaiko said.

In contrast, Mr John Block, U.S. Secretary of Agriculture, said last week that damage reports were greatly exaggerated and that less than 25 per cent of the crop would be lost. The USDA put out a 25 per cent estimate the next day but its last Tuesday a Department citrus specialist acknowledged: "Your guess is as good as mine."

Prices on the orange juice futures market in New York shot up from $1.24 a pound before the frost to $1.55 a pound by January 20. Then it became clear that Brazil would be filling the short-term gap, and profit-takers began selling out. Prices in the nearby months headed down towards $1.42 a pound but stayed high in the later months because of uncertainties about whether the Brazilians would be able to produce enough to meet the U.S. shortfall.

Although the U.S. is the world's largest producer of orange juice it also has the greatest domestic demand. Brazil exports 95 per cent of its production and supplies 80 per cent of the world trade.

Last year, when frost destroyed 20 per cent of the U.S. crop, future prices reached $1.60. In 1977 when frost also struck, future prices soared over $2 a pound.

While a portion of the U.S. crop can be salvaged for orange juice, there are some fears that the frost has so damaged the trees that they may produce low yields for years to come.

Analysts say that if Brazil makes it through a frost-free growing season, it could be in a good position to maintain an increase in the North American market. While U.S. and European growers are limited in the fertile lands they can plant, Brazil has only begun expansion of its fertile lands. The 14 varieties grown there mature during eight months of the year.

Brazilian production is concentrated in a half dozen companies, two of which account for more than 70 per cent of all exports. Growers are considering forming a 100,000 tonne citrus concentrate reserve. Talks will begin in March to set minimum prices for the next harvest.

Indonesia backs tin group

BY RICHARD COWPER IN JAKARTA

PROFESSOR Dr Subroto, Indonesia's Minister for Mines and Energy, confirmed here yesterday that Indonesia was now actively considering the possibility of setting up a tin producers group to protect the long-term interests of producing countries.

Professor Subroto said that following growing concern in Indonesia the sixth International Tin Agreement may never be fully ratified. Indonesia had already had an exchange of views with Malaysia over the possibility of setting up such a group, and the matter would be discussed more fully when Datuk Musa Hitam, Malaysia's deputy Prime Minister, visits Indonesia later this month.

"We seriously consider that producer countries should now co-ordinate their steps to take measures in such a way as to strengthen the case of producers. There is certainly a possibility that we will set up such a group," he said.

Professor Subroto's remarks appear to reflect a hardening of producers' attitudes on the tin issue. On Sunday, Datuk Musa Hitam announced in Kuala Lumpur that Malaysia had initiated the move to form a tin producers' group. Datuk Musa said that as well as talks with Indonesia, he planned to consult other leading producing countries such as Bolivia and Thailand.

Both Malaysia and Indonesia, along with other tin-producing countries, have expressed considerable anger at what they believe to be the negative attitude of the developed tin-consuming countries towards the interests of the developing producer countries. In particular they have bitterly criticised the U.S. decision to run down the General Service Administration (GSA) stockpile, which they say has had an adverse effect on the international market.

There is now also serious concern both in Malaysia and Indonesia that the Sixth International Tin Agreement, which was finally drawn up in June last year after months of haggling, may never get off the ground at all.

The fragile compromise between producers and consumers which was reached in Geneva was not enough, however, to stop the world's largest tin consumer—the U.S.—from rejecting the agreement.

According to Professor Subroto, since then only three countries have ratified the agreement.

Potato futures trade extended

By Our Commodities Staff

THE London Potato Futures Association has announced that it will introduce a fifth delivery month as from April 15 1982. This means that a range of five months covering a full year will be available at all times.

The months traded from April 15 1982 will be May and November 1982 and February, April and May 1983. Trading months will cease to be quoted at 12 noon on the second Wednesday of the month in question and the new distant position will be introduced on the following day.

Danes to sell more butter UK

BY RICHARD MOONEY

DENMARK AIMS to increase its share of the shrinking British butter market this year. While the total market is expected to fall to 280,000 tonnes, according to Butterdane, which handles sales of Danish butter in the UK, from 295,000 tonnes in 1981, Danish shipments are targeted at 40,000 tonnes, up from 37,000 in 1981. This would represent a share of 14.3 per cent compared with 11 per cent last year.

"We expect Danish butter production in 1982 to remain virtually unchanged," said Mr Jens Majgaard, chairman of Butterdane, at the weekend. "With increased quantities available for export, we expect to be able to promote Lurpak (the leading Danish brand) actively throughout the year."

Meanwhile, however, the company's hopes received a blow when Mr Bjorn Westh, Denmark's Minister of Agriculture, stated that the Danish Government would not support Britain's call for the continuation of the 13p a pound EEC subsidy on sales of butter in Britain.

Mr Westh told British journalists the subsidy was "too expensive" and said it should be cut as part of a programme to remove all special EEC subsidies, which would also include aid paid to Italian tomato growers. He hinted, however, that he would not go so far as to veto the EEC farm price package over this issue.

Mr Majgaard said the Danish dairy trade was "totally united" in favour of the continuation of the UK butter subsidy.

The Minister and Butterdane were at one in their opposition to the maintenance of New Zealand's quota for butter sales to Britain. Mr Westh accepted the need for New Zealand access to be protected but said this should not be at the cost of squeezing out EEC suppliers. Mr Majgaard pointed out that New Zealand's 1981 quota of 94,000 tonnes represented a 33 per cent market share while the 125,000 tonnes quota it had in 1975 was equal to only 25 per cent.

Spain's olive oil sales down sharply

MADRID — Spain's olive oil exports dropped to 52m kilos last year from 131m kilos in 1980 oil industry figures show. They attributed that sharp drop to the poisoned cooking oil scandal in Spain that has until now claimed 251 deaths since it was first discovered nine months ago.

The income from Spanish olive oil exports dropped Pta 8,600m ($93.4m) in 1981 from Pta 13,200m in 1980. AP

Grain set-aside plan attacked

BY NANCY DUNNE IN WASHINGTON

AN ACREAGE reduction programme announced last week by Mr John Block, the U.S. Secretary of Agriculture, could "bust the agriculture component of President Reagan's budget," according to Mr Michael Hall, chief executive officer of the Corn Growers' Association.

Under the programme, farmers who grow maize (corn), oats, sorghum and barley can reduce plantings 10 per cent. Wheat, rice and cotton growers can leave 15 per cent of their land idle.

In order to get benefits from any Department of Agriculture programme, farmers must participate in the acreage reduction schemes. While maize farmers are notorious for their non-participation in federal programmes, Mr Hall believes this year will be different.

Maize prices have now sunk to $2.40 a bushel. Under USDA's "target price" programme, a minimum price is set at $2.70 per bushel, and the Government can be asked to pay the 30 cents per bushel difference.

U.S. farmers last year produced 8.2bn bushels of maize, 2bn of which are now in carry-over stocks. A similar crop this year, with 10 per cent set aside, could produce nearly 7.4bn bushels. If prices remain at or near their current levels, deficiency payments could, says Mr Hall, run into billions of dollars for next year alone. Congress passed a farm Bill last year which provided $11bn for the USDA for the next four years.

The Administration is hoping that the planting curbs will reduce federal spending by producing smaller crops which they believe will raise prices.

Mr Hall says a 10 per cent cut in maize production will barely affect prices now that "farmers have lost hope of re-establishing their grain trade with eastern Europe."

BRITISH COMMODITY MARKETS

BASE METALS

BASE-metal prices lost ground on the London Metal Exchange. Copper fell to £866 but was well supported below £860 and closed at £863.5, while heavy hedge selling and trade selling depressed Lead to a low of £351 before a close of £356. Zinc closed at £453.5, after £456. Tin was finally £8,000, three months, with offering of cash material depressing that quotation to £8,600. Aluminium and Nickel closed at £613.5 and £3,117.5 respectively.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	8590-600	—115	8595-600	—42.5
3 months	8010-30	+10	8010-30	+15
Settlem't	8600	—120	—	.....
Standard				
Cash	8590-600	—115	8595-600	—42.5
3 months	7980-90	+18	7990-8000	+25
Settlem't	8600	—120	—	.....
Straits E.	$35.00	.....	—	.....
New York	—			

cash £8,600, 10, three months £8,000. Turnover: 6,560 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
HighGrde	£	£	£	£
Cash	863.25	—4.25	863.5	—9.5
3 mths	892.5-3	—2	891.5-2	—8.75
Settlem't	864	—4.5	—	.....
Cathodes				
Cash	859-61	—7.5	860-1	—9.5
3 months	885-6	—4	885-6	—8.5
Settlem't	861	—7.5	—	.....
U.S. Prod.	—	.....	—	[illegible]

Amalgamated Metal Trading reported that in the morning cash higher grade traded at £866.00, 64.00, three months £892.00, 93.00, 92.50, 92.00, 93.00, 92.50. Cathodes, three months £887.00. Kerb: Higher Grade, three months £892.00, 93.00, 92.50, 94.00, 93.50, 94.00, 93.00. Afternoon: Three months £893.00, 92.00, 91.00, 90.00, 91.00, 92.00, 92.50, 92.00. Cathodes, cash £860.00. Kerb: Higher Grade, three months £891.00, 92.00, 91.00, 90.00, 92.50, 93.00. Turnover: 20,700 tonnes.

Tin—Morning: Standard, cash £8,600, 10, 05, 8,600, early Feb £8,630, 20, 8,600, three months £7,990, 80, 90, 8,000. Kerb: Standard, three months £8,000, 7,990, 80. Afternoon: Standard, cash £8,600, three months £7,980, 90, 80. Kerb: Standard, three months £8,000, 7,990.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	356.-.5	—12.5	353.5-4	—12.7
3 months	366.5-.7	—12.5	363.5-4	—11.7
Settlem't	356.5	—12	—	.....
U.S. Spot	—	.....	*28.34	.....

Lead—Morning: Cash £356.50, three months £375.00, 74.00, 71.00, 70.00, 69.00, 67.00, 66.00, 66.50. Kerb: Three months £366.00, 67.00, 66.50, 66.00. Afternoon: Cash £354.00, 53.50, three months £366.00, 64.00, 63.00, 62.00, 61.50, 62.00, 61.00, 63.00, 64.00, 63.00, 62.00. Kerb: Three months £364.00, 65.00, 66.00, 65.00, 64.00, 64.50, 65.00, 66.00. Turnover: 13,000 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	454.5-5	—5.75	456-7	—7.25
3 months	461-.5	—5.25	462-.5	—6
S'ment	461	—6	—	.....
Primw'ts	455	—6	*42.50	.....

Zinc—Morning: Cash £455.00, three months £466.00, 65.00, 64.00, 63.00, 62.00, 61.00, 62.00, 63.00, 60.00, 60.50, 61.00, 61.50. Kerb: Three months £462.00, 61.50. Afternoon: Three months £460.00, 59.50, 59.00, 58.50, 59.00, 60.00. Kerb: Three months £462.00, 62.50, 63.00, 64.00, 63.00. Turnover: 11,325 tonnes.

Aluminm.	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	597.5-8.5	+ .5	596.5-7.5	—4
3 months	620-1	—.25	618-.5	—4.5

Aluminium—Morning: Three months £622.00, 21.00, 20.50, 20.00. Kerb: Three months £621.00, 21.50. Afternoon: Three months £620.00, 19.00, 20.00, 19.50, 19.00. Kerb: Three months £619.50, 20.00, 19.50, 19.00, 19.50. Turnover: 8,200 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	3060-5	—6	3060-70	.....
3 months	3110-5	+1.5	3110-5	+.5

Nickel—Morning: Cash £3,065, three months £3,115, 10, 15, 10. Afternoon: Three months £3,105, 10. Kerb: Three months £3,115, 12, 15. Turnover: 528 tonnes.

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

Silver was fixed 5.25p an ounce lower for spot delivery in the London bullion market yesterday at 434.5p. U.S. cent equivalents of the fixing levels were: spot 819c, down 16c; three-month 840.5c, down 15.3c; six-month 871.1c, down 14.4c; and 12-month 931.2c, down 14.1c. The metal opened at 433-437p (812-817c) and closed at 430-434p (804-809c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	434.50p	—5.55	430.0p	—8.5
3 months	449.00p	—5.45	445.75p	—8
6 months	463.80p	—5.60	—	.....
12months	493.80p	—5.30	—	.....

LME—Turnover 121 (79) lots of 10,000 ozs. Morning: Three months 451.0, 50.5, 51.0, 49.5, 50.0, 51.0. Kerb: were: spot 50.50p (same): March 51 25p (same): April 51.75p (same). three months 450.0. Afternoon: three months 446.0, 45.5, 45.0, 45.5, 46.0, 45.5. Kerb: three months 446.0, 45.0.

COCOA

Futures opened £20 lower as due and remained under pressure as liquidation of long positions continued. In spite of this decline only modest offtake was found among consumers while producers were absent, reports Gill and Duffus.

COCOA	Yes'rday's Close	+ or —	Business Done
March	1156-57	—24.0	1172-49
May	1141 42	—25.0	1155 36
July	1151-54	—23.0	1164 48
Sept	1168 70	—17.5	1178 66
Dec	1164-65	—16.0	1191.80
March	1195.20	—20.0	1197.96
May	1206-10	—14.5	1205

Sales: 4,890 (2,713) lots of 10 tonnes.

ICCO—Daily price fob Feb 1: 92.90 (95.71): Indicator price for Feb 2: 96.36 (97.20). U.S. cents per pound.

COFFEE

Early dealer selling produced a lower than expected opening before the market staged a sharp upswing, reports Drexel Burnham Lambert. Profit-taking then dominated much of the trading until further covering operations took nearby values back to around unchanged levels.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1216-18	+0.5	1237-04
May	1174-76	—2.5	1192-63
July	1145-47	—8.5	1166-45
Sept	1139-40	—8.5	1157-40
Nov	1134-35	—8.0	1142-34
January	1121-30	—12.5	—
March	1111-30	—	—

Sales: 4,890 (6,056) lots of 5 tonnes.

ICO Indicator prices for January 29: (U.S. cents per pound): Comp. daily 1979 128.53 (126.75): 15-day average 124.20 (123.89).

GAS OIL FUTURES

Reflecting the weakening physical market, futures opened $3 lower. Prices drifted throughout the day, influenced especially by a lower New York market, reports Premier Man.

Turnover: 2,278 (2,780) lots of 100 tonnes.

GRAINS

All positions opened unchanged and little interest was seen throughout the day. Acli reports.

	WHEAT		BARLEY	
Mnth	Yesterd'ys close	+ or —	Yest'rd'ys close	+ or —
Mar	111.55	+0.05	106.50	—0.05
May	115.50	—	111.60	+0.05
July	118.55	—	—	—
Sept	105.90	—	102.35	—
Nov	110.40	—	106.25	—
Jan	114.30	—	110.20	—

Business done—Wheat: March 111.60-111.50, May, July, Sept, Nov and Jan no trade. Sales: 12 lots of 100 tonnes. Barley: March 106.40-106.25, May 111.65 only, Sept 102.35 only, Nov 106.20 only, Jan no trade. Sales: 23 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 2 14 per cent Feb 120.25, Mar 121.50 transhipment East Coast seller. U.S. Hard Winter 13½ per cent Feb 10/Mar 5 117 quoted transhipment East Coast seller. English Feed fob March 115.50 Bristol Channel seller. Maize: French Feb 134.50 transhipment East Coast seller. S. African Yellow Mar 76.50 quoted. Barley: English Feed fob 111.50, April/June 115.50 sellers East Coast. Rest unquoted.

HGCA—Location ex-farm spot prices. Other milling wheat: Eastern 113.70, E. Midlands 110.00. Feed barley: Eastern 106.20, E. Midlands 107.00, Scotland 100.90. The UK Monetary coefficient for the week beginning Monday February 8 (based on HGCA calculations using four days exchange rates) is expected to change to 0.906.

RUBBER

The London physical market opened about unchanged, attracted little interest throughout the day and closed quiet. Lewis and Peat recorded a February fob price for No. 1 RS in Kuala Lumpur of — (207.5) cents a kg and SMR 20 — (182.5).

No. 1 R.S.S.	Yest'r'ys close	Previous close	Business Done
Mar	51.90 51.80	51.60-51.70	—
April	52.00 52.80	51.80 52.60	—
Apl-Jne	53.10-53.20	53.00-53.10	53.30
Jly-Sept	56.40-56.50	56.40-56.50	56.60-56.40
Oct-Dec	58.70-58.80	58.70-59.80	60.00 59.70
Jan-Mar	62.60-62.80	63.00-63.10	63.10-62.80
Apl-Jne	65.80-65.90	66.00-66.10	66.00
Jly-Sept	68.90-69.00	68.90-69.00	68.90
Oct-Dec	71.90-72.00	71.90-72.00	72.20 72.00

Sales: 161 (275) lots of 15 tonnes, nil (2) lots of 5 tonnes.

Physical closing prices (buyers)

COTTON

LIVERPOOL—Spot and shipment sales amounted to 202 tonnes. Further contracts were fixed up, mostly in American type qualities, as users wanted to ensure adequate supplies for further business. Operations developed more freely after the lapse at the end of last week.

WOOL FUTURES

BRADFORD—Business was fairly quiet, with interest generally only steady. Much depends now on the individual stock position and replacement costs around present levels.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. March 368, 371, nil; May 375, 378, 383-376; Aug 390, 392, 392; Oct 393, 396, 395; Dec 396, 399, 397; Jan 401, 402, 402-400; March 411, 414, nil; May 417, 421, 4??; Aug 411, 414, nil. Sales: 64.

SOYABEAN MEAL

The market opened around 70p higher on weaker sterling, reports T. G. Roddick. Prices held steady on trade buying in thin conditions.

Sales: 90 (191) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £171.00 (£172.00) a tonne cif Feb-March shipment. White sugar daily price £175.00 (£177.00).

Prices improved somewhat in quiet trading conditions, reports C. Czarnikow.

Sales: 4,041 (4,246) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £374.00 (same) a tonne fob for home trade and £281.50 (£282.00) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Jan 29: Daily price 13.28 (13.26): 15-day average 13.01 (12.97).

JUTE

JUTE—Feb c and f Dundee: BWC £286, BWD £235, BTB £330, BTC £290, BTD £245; Antwerp c and f BWC £293, BWD £240, BTB £332, BTC £293, BTD £250; Dundee Feb. 40 in 10 oz £10 24, 40 in 7½ oz £7 95, B Twills £29 52.

TEA AUCTION

LONDON TEA AUCTIONS — 22,840 chests were on offer at yesterday's auction. Demand continued very strong. Assams met with good demand and brighter lines, together with colonry dusts, again moved several pence higher. Africans came in for keen competition and often put on 2-4p, with bright liquoring Kenyas a strong feature. The few Ceylons on offer were very well supported, frequently advancing by 3-6p with the emphasis on quality lines and dusts. Quotations: Quality 125p (124p) a kg, medium 115p (114p) a kg, plain no quotation (same).

POTATOES

LONDON POTATO FUTURES—The market weakened throughout the day to close at the lows, reports Coley and Harper. Closing prices: Feb 101 00, —2.30 (high 101.60, low 101.00); April 126 50, —4.30 (high 129 20, low 126.50); Nov 69.00, —1 00 (69.00 only). Turnover: 647 (389) lots of 40 tonnes.

*

MEAT COMMISSION—Average Fatstock prices at representative markets. GB—Cattle 102 02p per kg lw (+0 12). UK—Sheep 200.14p per kg est dcw (+4 53). GB—Pigs 77.29p per kg lw (—0.71).

*

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone Shelf cod £4.40-£4.80, codlings £3.20-£4 40. Large haddock £4.00-£4.50, medium £3.60-£4.60, small £1.70-£3.80. Large plaice £4.20-£4.60, medium £3 00-£3 40, best small £3 00-£3.40. Skinned dogfish, medium, £12 00. Lemon soles, large, £13.50; medium, £13.00. Rockfish £4.30-£4 90, Saithe £2 70-£3.70.

PRICE CHANGES

In tonnes unless otherwise stated.

	Feb. 1 1982	+ or —	Month ago
Metals			
Aluminium	£810 815		£810 815
Free Mkt.	$1110 1140		$1120 140
Copper			
Cash h grade	£863.5	—9.5	£856.5
3 mths	£891.75	—8.75	£885.25
Cash Cathode	£860.5	—10.5	£853
3 mths	£885.5	—8.5	£881
Gold troy oz	$379	—5	$395.5
Lead Cash	£353.75	—12.75	£351.5
3 mths	£363.75	—11.75	£365.75
Nickel	£3771.7	—54	£3757.75
Free mkt	300/325c		250.90c
Platin'm tr oz's	£260		£260
Freemkt	£192.45	—1.85	£119.45
Quicksilver	$400 370	+10	$412-418
Silver troy oz	430.0p	—8.5	417.50p
3 mths	445.75p	—8	436.50p
Tin cash	£8597.5	—42.5	£8315
3 mths	£8015	+15	£7675
Tungsten22.4lb	$125.60		$134.48
Wolfm 22.4lb cif	$120 125		$120 125
Zinc Cash	£456.5	—7.25	£447.5
3 mths	£462.25	—6	£460.25
Producers	$875/950		$920.50
Oils			
Coconut (Phil)	$547.5w		$550
Groundnut	$715w		
Linseed Crude			
Palm Malayan	$532.5v		$495
Seeds			
Copra Philip	$350		$340
Soyabean (U.S.)	$268.5	—1.5	$255
Grains			
BarleyFut. May	£111.60	—0.05	£107.25
Maize	£134.50		£132.5
Wheat Fut.May	£115.50		£112.05
No.2HardWint	£117.0w	—0.25	
Other commodities			
Cocoa ship't*	£1207	—24	£1219
Future May	£1141.5	—25	£1173.5
Coffee Ft' May	£1175	—2.5	£1143.5
Cotton A.Index	70.80c		67.80c
Gas Oil Mar	$275.75	—4.5	$321
Rubber kilo	50.5p		49p
Sugar (Raw)	171w	—1	£163
Woolt'ps 64s kl.	380p kilo		377pkilo

‡ Unquoted. v April. w Feb-March. x March. † Per 76-lb flask. * Ghana cocoa. n Nominal. § Seller.

Zaire cuts cobalt price

KINSHASA—The Zaire state metals trading concern Sozacom said it is cutting its cobalt producer price to $12.50 a pound from $17.50, effective February 1.

Sozacom said it was making the cut to help improve the market in the metal.

Zaire is the world's largest cobalt producer, followed by neighbouring Zambia. The two countries have adopted a common producer price in recent years.

Their producer price fell to $20 a pound from $25 last March and was cut to $17.50 in August.

A Zambian Metal Marketing Corporation (Memaco) official told reuters earlier this month that Zaire had stocks of 12,000 tonnes of finished cobalt and Zambia about 2,000 tonnes.

AMERICAN MARKETS

NEW YORK, February 1.

MOST COMMODITY markets reflected major upward presure on interest rates and a stronger dollar. All tropical commodities and precious metals lost ground. Live stock was mixed on fears of lower product prices, while grains and soyabeans rallied on the close, reported Heinold.

Copper—Feb 72.90 (73 55), March 73 60-73.75 (74 45), April 74.70, May 75.60-75 70, July 77.50, Sept 74 95, Dec 82.00, Jan 82.90, March 84.70, May 86 50, July 88 30, Sept 90.10, Dec 92 80.

*Gold—Feb 381.3-382 5 (384.6), March 384.7 (387.6), April 389.0-389.5, June 398 0-399 0, Aug 407.7, Oct 417.3, Dec 427.1, Feb 439.0, April 447.6, June 458.0, Aug 468.4, Oct 478.9, Dec 489.4.

Potatoes (round whites)—March 83.5 (82.5), April 88 2-88.5 (86 4), Nov 79.4-79 9. Sales, 524.

§Silver—Feb 816.5 (819.6), March 823 0-827 0 (828.0), April 834 8, May 842 0, July 863 0-865 0, Sept 885.4, Dec 920.0, Jan 926.2, March 946.6, May 967 0, July 987.4, Sept 1007 8, Dec 1038 4. Handy and Harman bullion spot, 825.50 (828.00).

Sugar—No. 11: March 13 67-13.68 (13 58), May 13.82-13.85 (13 77), July 13.97, Sept 14 20, Oct 14 35-14.40, Jan 14.37, March 15.00, May 15.00-15.15. Sales: 8,142.

Tin—717.00-740 00 (720.00-749.00).

CHICAGO, February 1.

Lard—Chicago loose 22.25 (same).

Live Cattle—Feb 62.55-62.45 (62.45), April 61 85-62.00 (61.70), June 61.80-61 85, Aug 60.72-60.60, Oct 58.87, Dec 59.85.

Live Hogs—Feb 50.60-50.80 (50.85), April 48.80-48.85 (49.45), June 51.87-51.80, July 52.50-52 40, Aug 51.70-51.67, Oct 49.02, Dec 49.85, Feb 49.20.

‡‡Maize — March 277¾-276¾ (274), May 289½-289 (285½), July 298-297¼, Sept 302-301¼, Dec 307-307½, March 319¾.

Pork Bellies—Feb 70.20-70.30 (71.80), March 70.90-70.70 (72.20), May 72.45-72.30, July 73.40-73.45, Aug 71.17.

†Soyabeans—March 662-660 (656¾), May 679-677½ (674½), July 696-694, Aug 698-699, Sept 700, Nov 704½-703½, Jan 719, March 734, May 746.

Soyabean Oil — March 20.27-20.29 (192.8), May 197.0-197.1 (195.9), July 201.0-200.5, Aug 201.5, Sept 201.5-202.0, Oct 203.0, Dec 204.5-204.0, Jan 204.5.

Soyabean Oil — March 20.27-20.29 (20 18), May 20.98-21 00 (20 88), July 21.63-21.62, Aug 21.90, Sept 22.20-22.25, Oct 22.40-22.50, Dec 22.80, Jan 23 00-23.10, March 23.10-23.20.

†Wheat — March 381½-380½ (377), May 396½-396 (391¼), July 405-406, Sept 420, Dec 439, March 455½-456.

WINNIPEG, February 1.

§Barley—March 131 00 (130.00), May 132.40 (131.50), July 132.70, Oct 134.80, Dec 136.50.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 247.89 (244 59).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ‡ Cents per troy ounce. †† Cents per 56-lb bushel. † Cents per 60-lb bushel. || $ per short ton (2,000 lb). § $Can. per metric ton. §§ $ per 1,000 sq ft. ‡ Cents per dozen. †† $ per metric ton.

EUROPEAN MARKETS

ROTTERDAM, February 1.

Wheat — (U.S. $ per tonne): U.S. No. 2 Dark Hard Winter, 13.5 per cent: Feb 10/March 5 201, U.S. No. 2 Red Winter: Feb 167, March 170. U.S. No. 3 Amber Durum: Feb 206, April/May 214, May 192, June 192, July 192, Aug 195, Sept 190, Oct 198, Nov 198. U.S. No. 2 Northern Spring, 14 per cent: Feb 206, March 208, April/May 187, June 187, July 187, Aug 187, Sept 187. Canadian Western Red Spring: April/May 216.

Maize — (U.S. $ per tonne): U.S. No. 3 Corn, Yellow: Afloat 129, Feb 127, March 127, April/June 130, July/Sept 133, Oct/Dec 135 sellers.

Soyabeans—(U.S. $ per tonne): U.S. No. 2 Yellow, Gulfports: Feb 262.50, March 263.50, April 267.50, May 269.75, June 273, July 274, Aug 275.75, Sept 276, Oct 276, Nov 275.50, Dec 279.75 sellers, with Nov 275 buyers.

Soyameal—(U.S. $ per tonne), 44 per cent protein: U.S. afloat 247, Feb 242.50, March 241 50, April/Sept 241, Nov/March 250 sellers. Brazil Pellets: Afloat 264, Jan 264, Feb 259.50, March 255, April 251, April/Sept 249 sellers.

PARIS, February 1.

Cocoa—(FFr per 100 kilos): March 1260-1264, May 1285-1269, July 1270-1280, Sept 1305-1315, Dec 1317-1323, March 1330-1340, May 1340-1350. Sales at call: 5.

Sugar—(FFr per tonne): March 1987-1983, May 2022-2023, July 2030-2040, Aug 2080-2085, Oct 2086-2090, Nov 2085-2095, Dec 2080-2095, March 2125-2145. Sales at call: 21.

INDICES

FINANCIAL TIMES

Jan. 29	Jan. 28	Month ago	Year ago
252.94	251.97	--	251.88

(Base: July 1, 1952=100).

MOODY'S

Jan. 29	Jan. 28	Month ago	Year ago
1014.3	1010.3	985.2	1161.1

(December 31, 1931=100)

DOW JONES

Dow Jones	Jan. 29	Jan 28	Month ago	Year ago
Spot	128.93	127.95	—	—
Futr's	136.84	135.24	—	—

(Base: December 31, 1974=100)

REUTERS

Feb. 1	Jan.29	M'nth ago	Year ago
1629.8	1634.2*	1604.6	1680.0

(Base: September 18, 1931=100)
* Corrected.

Jamaican bauxite strike spreads

BY CANUTE JAMES IN KINGSTON

ANOTHER bauxite refinery has been closed by a strike which appears likely to spread further unless negotiations between local unions and the five North American companies operating here can be concluded soon.

The Aluminium Company of Canada's (Alcan) 550,000 tonne refinery in central Jamaica was closed over the weekend. A refinery with a similar capacity, owned by the Aluminium Company of America (Alcoa) was closed in early January after workers started a strike.

The Government has been meeting unions and the companies in an attempt to conclude the negotiations over a new wage contract to replace one which expired exactly a year ago. The closure of the Alcan plant indicates that the Government has not been successful.

The spread of the strike could force a total shutdown of the industry, as only two other plants are operating.

Interest rate optimism waivers on U.S. influences
Gilts lose a point and equity index falls 7.8 to 572.0

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Jan 25	Feb 11	Feb 12	Feb 22
Feb 15	Feb 25	Feb 26	Mar 8
Mar 1	Mar 11	Mar 12	Mar 22

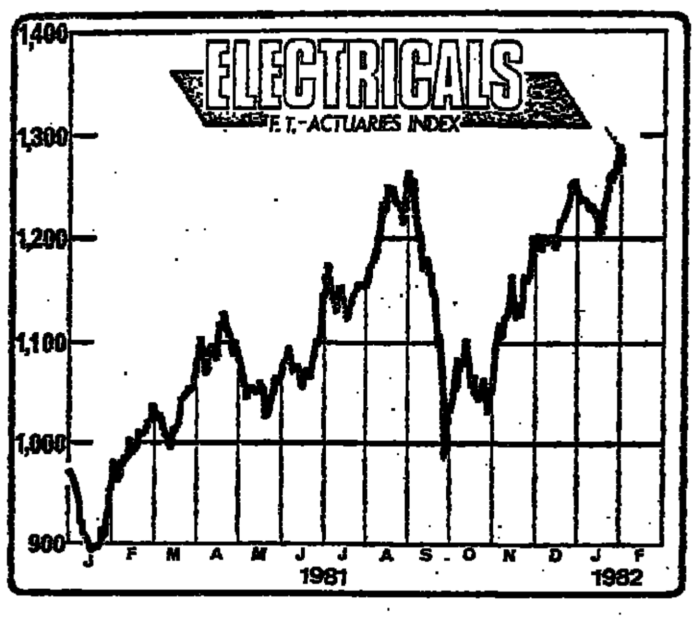
* "New time" dealings may take place from 9.30 am two business days earlier.

Optimism about lower international interest rates waivered yesterday in the face of last week's disappointing U.S. money supply figures, announced after Wall Street's close on Friday. Fears that the U.S. Federal Reserve may have to tighten short-term interest rates prompted a note of caution in London stock markets and the two main investment sectors went into reverse after the recent strong advance.

Gilt-edged Securities led the retreat, early weakness here reflecting last Friday's late reaction in U.S. bonds. Selling was relatively light but, with trading conditions extremely thin, long-dated issues were soon showing falls of nearly a point. An attempted rally faded as most Continental currencies lost ground against the dollar and losses finally stretched to 1¼ at the longer end of the market and ¾ among the shorts. The Government securities index closed 0.50 lower at 64.65, a relatively modest reaction compared with the advance of 2.78 over the previous two weeks.

Leading shares held up well until mid-day when adverse European reports about U.S. interest rates prompted some loose selling. The offerings found markets extremely unwilling and the FT 30-share index after being unchanged at the noon calculation was 3.9 lower an hour later. The downward trend continued as dealers became increasingly nervous awaiting Wall Street's opening. This centre's sharp early setback yesterday gave the movement here added momentum and the index consequently closed at its lowest of the day with a fall of 7.8 at 572.0.

The reaction, however, was generally confined to the leaders, some useful gains being recorded by companies mentioned in the weekend financial columns. The bid scene was enlivened by ICI's agreed 180p per share cash offer for Arthur Holden and the offer for Leadenhall Sterling from Hays Group. Elsewhere, Fisons were a strong feature following news of the proposed sale of its fertiliser division to Norsk Hydro.



Ansbacher better

The major clearing banks succumbed to sporadic offerings and lack of fresh support. Still unsettled by rights issue rumours, despite last week's denial, Midland lost 9 at 336p. Barclays fell 12 to 456p and NatWest relinquished 8 at 422p. Lloyds, which start the dividend season on February 19, ended 4 cheaper at 462p. Elsewhere, Henry Ansbacher improved 1¾ to 19p following comment on the proposed deal with Seascope Holdings, the Lloyds of London marine insurance broker. Press mention also attracted buyers to Dunbar, up 25 at 615p.

Insurances suffered from lack of interest. Sun Alliance declined 15 to 867p and Royals shed 8 to 352p. Commercial Union dipped 5 to 130p and General Accident 6 to 310p.

Breweries lacked support and finished with modest falls across the board. Grand Metropolitan shed 5 at 198p, while Scottish and Newcastle eased 1½ to 54½p. Elsewhere, Matthew Clark rose 8 to 166p in a market aroused by rumours that McLeod Russel had disposed of its 9 per cent stake in the former, which was acquired by the takeover of Warren Plantations.

Buildings, particularly firm recently on recovery hopes, encountered light profit-taking. Blue Circle, 546p, and Tarmac, 434p, shed 2 apiece, while London Brick eased 1½ to 77p. Among the scattered firm counters, Fairclough Construction rose 7 to 158p in a thin market. Ibstock Johnsen attracted renewed speculative interest and moved up 3 to 71p, F. J. C. Lilley hardened to 167p following U.S. acquisition news and Man[illegible]rs improved 4 to 172p, the last-named on Press comment.

Chemicals displayed an outstanding feature in Fisons which jumped to 220p before closing a net 36 up at 218p following announcement of the preliminary agreement for the sale of its agricultural fertiliser division for £50m cash to Norsk-Hydro, ½ point down at £35½. ICI encountered sporadic selling and closed 8 cheaper at 332p. Croda International held at 72p following the company's latest defence statement rejecting the bid from Burmah Oil, 3 off at 108p.

Gussies dull

Initially firm, leading Stores weakened later and closed at around the day's lowest. Gussies "A" reacted 12 to 493p, while British Home, 142p, and Marks and Spencer, 143p, eased 3 apiece. Selected secondary counters, however, made further progress on speculative demand, often Press-inspired. Steinberg touched a 1981-82 peak of 30p before settling with a net gain of 2½ at 28½p, while George Oliver "A" firmed 8 for a two-day gain of 18 to 128p. Sumrie Clothes, 10 up at 65p, were buoyed by thoughts that Mr Harry Michael Ross had increased his stake.

Shoes again featured Ward White, 5 dearer at 66p on take-over speculation.

Publicity given to a leading broker's comments on GEC's demerger prospects prompted a reaction of 11 to 836p. Other Electrical majors moved in a similar direction with Plessey 7 lower at 370p and Racal, 388p, and Thorn EMI, 455p, down 5 apiece. Elsewhere, Standard Telephones and Cables came on offer at 465p, down 13, while Unitech cheapened 9 to 223p awaiting today's interim figures. Reflecting hopes of a bid from Tyco Laboratories, Muirhead added 4 at 124p. Ward and Goldstone hardened a penny to 121p, after 126p, on Press comment, while satisfactory half-yearly statements prompted improvements of a penny or so in Electronic Machine, 41p, and Whitworth, 114p.

W. Tyzack Sons and Turner highlighted Engineerings, rising 6 to 46p on the announcement that AB Bacho of Sweden had increased its holding in the company to over 25 per cent; it was also disclosed that Mr R. D. Young has acquired a 5.45 per cent shareholding. Lake and Elliot also emerged as a prominent feature, closing 8 up at 52p. Victor Products put on 5 to 130p as did Braithwaite, to 125p, while AI Industrial Products firmed 3 to 16p. G. M. Firth, however, lost 4 to 223p following adverse comment and ML Holdings eased 5 to 310p ahead of Friday's interim statement. Of the leaders, GKN gave up 6 at 180p.

Foods met with light profit-taking and J. Sainsbury eased 10 to 525p, while Kwik Save shed 2 to 138p. Associated Dairies gave up 4 to 138p following adverse Press comment and Northern lost the same amount at 172p. On the bid front, Huntley and Palmer closed 2 cheaper at 107p, after 106p; bidders Rowntree Mackintosh shed 4 to 154p. Elsewhere, Hillards touched 166p in initial response to the interim results, but drifted back to close unchanged on balance at 163p. Associated Fisheries, preliminary results due on Friday, shed a penny to 72p.

A couple of firm spots emerged in Hotels and Caterers. Reo Stakis improved the turn to 53p following Press comment, while Norfolk Capital gained 3 to 30p on speculative interest.

Holden up on bid

Interest among secondary miscellaneous industrials was enlivened considerably by the announcement of two bids. The subject of a market raid early last month when International Paint acquired a 12 per cent stake in the company for 160p per share, Arthur Holden jumped 34 to 182p, after 183p, on news of the surprise cash bid worth 180p per share from ICI. Meanwhile, Leadenhall Sterling leapt from the suspended price of 65p to 125p before closing at 120p in response to the 125p per share cash offer from the Hays Group. Awaiting fresh developments in the protracted bid battle, Associated Communications Corporation A gained 4 to 73p. Channel Tunnel advanced 20 to 175p on revived "Chunnel" hopes. Press comment prompted improvements of 3 and 8 respectively in Scapa, 147p and Hunsleigh, 118p, while Maurice James added 2 to 24½p in the wake of the deal with Benlox. Securicor, 202p, and the A N/V, 197p, firmed 7 apiece ahead of the annual results due on February 10 and Consultants Computer Finance continued firmly at 105p, up 7. Small selling in a thin market left De La Rue 30 lower at 707p. Glaxo lost 8 to 478p among the leaders, while Bowater dipped 5 to 228p and Unilever shed 6 to 640p. Awaiting today's third-quarter figures and following details of the purchase of St Regis Newspapers for £7m, Reed International touched 284p before closing unaltered at 278p.

Nimslo International, dealt in the Unlisted Securities Market, rose 12 to 152p on news of the U.S. distribution agreement with Timex Corporation.

Dowty encountered nervous selling in front of next week's mid-term statement and closed 9 cheaper at 125p. Other companies with aerospace interests also turned easier; Lucas, 221p, and Flight Refuelling, 280p, both shedding 5.

Mills and Allen were marked down to 480p immediately following announcement of the purchase of Guy Butler money broking group from Sime Darby for £10.75m, but rallied sharply following a more detailed appraisal of the deal and closed 18 higher on balance at 508p. Sime Darby were unchanged at 72p.

Properties turned dull. Land Securities closed 5 cheaper at 304p and MEPC 3 lower at 222p. Regional A shed a penny to 155p despite the increased interim revenue and dividend. Against the trend, Percy Bilton rose 6 to 192p, while Westminster Property attracted revived support ahead of tomorrow's preliminary results and firmed ½ to 34p. Demand in a thin market lifted Gresham House 15 to 195p.

Oils drift

Oils failed to shake off recent lethargy and drifted lower. British Petroleum, 296p and Shell, 376p, shed 6 apiece, while Ultramar eased 5 to 440p. Berkeley Exploration gave up 8 to 340p following adverse Press comment. Elsewhere, Pict Petroleum came on offer and slipped to 130p before closing 10 down on balance at 135p.

Financials took on a firmer stance. Akroyd and Smithers added 7 to 177p in response to weekend Press comment, while fellow stockjobber Smith Bros, interim results due on Thursday, picked up a couple of pence at 41p. Kellock Trust provided a good late feature, rising 5 to 32p following the annual results and news of the early redemption of preference shares; the variable rate Convertible closed 6 up at 28p.

Shippings attracted an active two-way business. John I. Jacobs added 3 at 40p, but Ocean Transport came on offer at 122p, down 6.

Textiles featured Textured Jersey which fell 13 to 82p in a restricted market following the interim profits setback and the chairman's warning about current trading.

Gopeng sharply lower

Malaysian Tins were a feature of an otherwise subdued mining market. The absence of a lead from the Kuala Lumpur Stock Exchange, which was closed for a public holiday, coupled with disappointment with the terms of the deal between Gopeng Consolidated and the Perak State Development Corporation of Malaysia led to a sharp markdown of the former which dropped 70 to 560p.

Recent takeover favourites Hongkong Tin and Kinta Kellas fell 75 to 450p and 50 to 700p respectively, while Pengkalen gave up 15 at 370p.

South African Golds drifted throughout the session, depressed by the lower bullion price—finally $6 down at $379 an ounce—and lack of interest. The Gold Mines index dipped 5.3 to 288.2.

Heavyweights showed losses of around a half-point common to St Helena, £15½, Buffels, £16¼, and Free State Geduld, £16½.

The reversal in the UK equity market and the opening fall on Wall Street yesterday upset London Financials. Gold Fields, additionally burdened by the lower bullion price, fell 6 to 477p. Charter dipped 2 to 258p and Rio Tinto-Zinc closed unchanged on balance at 465p, after 468p.

South African Financials moved in line with Golds with "Amgold" finally ½ easier at £27 and Gencor 15 down at 960p.

The closure of overnight domestic markets for the Australia Day holiday failed to prevent initial good gains in Australians.

However, the trend in London and U.S. stock markets countered the firmness and with the exception of Peko-Wallsend, 12 up at 352p, closing rises were modest.

In contrast to last week's active business, demand for Traded options fell sharply and only 1,400 deals were arranged—the lowest for over two weeks. Lonrho, however, returned to favour and attracted 231 calls and 48 puts; the preliminary results are due on February 11.

FINANCIAL TIMES STOCK INDICES

	Feb. 1	Jan. 29	Jan. 28	Jan. 27	Jan. 26	Jan. 25	A year ago
Government Secs	64.65	65.15	†64.66	64.25	63.80	63.52	69.26
Fixed Interest	64.95	65.30	64.68	64.44	64.12	64.07	70.97
Industrial Ord	572.0	579.8	573.8	568.9	566.9	557.7	467.6
Gold Mines	288.2	293.5	284.8	286.3	275.1	272.3	291.3
Ord. Div. Yield	5.35	5.28	5.34	5.38	5.37	5.46	7.62
Earnings, Yld.% (full)	9.57	9.45	9.56	9.63	9.61	9.70	17.03
P/E Ratio (net) (*)	13.26	13.43	13.27	13.17	13.20	13.10	7.18
Total bargains	20,899	20,560	19,194	21,171	20,199	21,749	21,745
Equity turnover £m.	—	190.95	140.23	195.21	151.46	142.96	108.22
Equity bargains	—	16,029	15,326	18,617	17,150	18,136	15,399

Basis 100 Govt. Secs 15/10/26. Fixed Int. 1928. Industrial Ord 1/7/35. Gold Mines 12/9/55. SE Activity 1974.
10 am 578.6. 11 am 579.2. Noon 579.8. 1 pm 575.9.
2 pm 575.1 3 pm 574.8
Latest Index 01-246 8026.
*Nil = 11.89.

†Correction

HIGHS AND LOWS

	1981/2 High	1981/2 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (28/5/81)	60.17 (26/10/81)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.01 (20/5/81)	61.61 (28/10/81)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	597.3 (30/4/81)	446.0 (14/1/81)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	429.0 (14/9/81)	262.6 (29/6/81)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Jan. 29	Jan. 28
—Daily Gilt Edged Bargains	197.3	183.6
Equities. Bargains	116.8	99.3
Value	386.0	283.4
5-day Avrge. Gilt-Edged Bargains	205.5	211.0
Equities Bargains	113.1	118.1
Value	331.8	349.6

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1981/2 High	1981/2 Low	Stock	Closing price p	+or—	Div.	Times covered	Gross yield	P/E ratio
30	F.P.	12/2	30	29½	Asset Special 10p	[illegible]					
100	F.P.	12/2	99	96	Baillie Gifford Jn Tst	[illegible]					
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Eldridge Pope £1	[illegible]					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Equipu 10p	[illegible]					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F & C Enter. Warrants	[illegible]					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Fledgling Inv.	[illegible]					
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Hayters £1	[illegible]					
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Malaysian Tin 5p	[illegible]					
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Newmarket (1981) 5c	[illegible]					
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Owners Abroad 10p	[illegible]					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Peek Hldgs	[illegible]					
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Speyhawk 10p	[illegible]					
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Viners 1p	[illegible]					
46	F.P.	19/3	49	47	York Mount	[illegible]					

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1981/2 High	1981/2 Low	Stock	Closing price £	+or—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1981/2 High	1981/2 Low	Stock	Closing price p	+or—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
180	F.P.	29/1	26/2 252	212	Kwik-Save 10p	[illegible]	
44	F.P.	8/1	12/2 55	48	Lennons Grp. 10p	[illegible]	
168	Nil	11/2	26/3 38pm	30pm	MEPC	[illegible]	
50	F.P.	19/1	19/2 58	52	Wearwell 5p	[illegible]	

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. ◆ Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ✱ With warrants. †† Dealings under special Rule. ✱ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. ‡ Formerly dealt in under Rule 163(2) (a).

FRIDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Friday's closing price pence	Day's change	Stock	No. of price changes	Friday's closing price pence	Day's change
GEC	22	847	+ 5	Beecham	12	252	+ 6
Inchcape	17	344	+21	BH Prop.	12	555	+10
RTZ	17	465	+13	FNFC	12	35	+ 0½
Shell Transpt.	16	382	+ 4	Lloyds Bank	12	466	+ 8
BP	15	302	— 2	BAT Industries	11	400	+10
ICI	13	340	— 2	Courtaulds	11	83	+ 1
Assoc. Dairies	12	142	+ 4	Diploma	11	230	+16

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Ansbacher (H.)	19	+ 1¾	ICI	332	— 8
Beecham	250	— 2	Lloyds Bank	462	— 4
BP	296	— 6	Mills and Allen	508	+18
Dowty	125	— 9	Pengkalen	370	—15
Fisons	218	+36	Reed International	278	—
Gopeng	560	—70	Tilling (T.)	168	+ 3

WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on February 1, 1982. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling/dollar rates; (S) member of the sterling area other than Scheduled Territories; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) commercial rate; (cn) convertible rate; (fn) financial rate; (exC) exchange certificate rate; (k) Scheduled Territory; (nc) non-commercial rate; (nom) nominal; (o) official rate; (sg) selling rate.

PLACE AND LOCAL UNIT		VALUE OF £ STERLING
Afghanistan	Afghani	99.0
Albania	Lek	10.04
Algeria	Dinar	7.8500
Andorra	French Franc	11.12
	Spanish Peseta	184.75
Angola	Kwanza	(CM) 52.956 (T) 65.159
Antigua (S)	E. Caribbean $	5.03
Argentina	Ar. Peso	18,768.0(3)
Australia (S)	Australian $	1.7035
Austria	Schilling	30.565
Azores	Portug'se Escudo	125.95
Bahamas (S)	Ba. Dollar	1.8615
Bahrain (S)	Dinar	0.702
Balearic Isles	Spa. Peseta	184.75
Bangladesh (S)	Taka	38.35
Barbados (S)	Barbados $	3.7230
Belgium	B. Franc	(com) 74.30 (fn) 82.55
Belize	B $	3.7230
Benin	C.F.A. Franc	556.0
Bermuda (S)	Bda $	1.8615
Bhutan	Indian Rupee	17.10
Bolivia	Bolivian Peso	46.50
Botswana (S)	Pula	1.6710
Brazil	Cruzeiro	250.44
Br. Virgin Isles (S)	U.S. $	1.8615
Brunei (S)	Brunei $	3.8935
Bulgaria	Lev	1.7590
Burma	Kyat	12.05
Burundi	Burundi Franc	172.450
Cameroon Republic	C.F.A. Franc	556.0
Canada	Canadian $	2.2385
Canary Islands	Spanish Peseta	184.75
Cape Verde Isle	Cape V. Escudo	58.35
Cayman Islands (S)	Cay. Is. $	1.55126
Cent. Af. Republic	C.F.A. Franc	556.0
Chad	C.F.A. Franc	556.0
Chile	C. Peso	(bk) 72.63
China	Renminbi Yuan	3.2545
Colombia	C. Peso	(F) 111.26
Comoro Islands	C.F.A. Franc	556.0
Congo (Brazzaville)	C.F.A. Franc	556.0
Costa Rica	Colon	37.28
Cuba	Cuban Peso	1.4916
Cyprus (S)	Cyprus £	0.830
Czechoslovakia	Koruna	(com) 11.10 (nc) 18.25 (t) 18.73
Denmark	Danish Krone	14.31
Djibouti	Fr.	300 (sg)
Dominica (S)	E. Caribbean $	5.03
Dominican Repub.	Dominican Peso	1.8615
Ecuador	Sucre	(O) 46.64 (F) 64.61
Egypt	Egyptian £	(U) 1.55
Equatorial Guinea	Ekuele	359.50
Ethiopia	Ethiopian Birr	(P) 3.8550
Falkland Islands (S)	Falkland Is. £	1.0
Faroe Islands	Danish Krone	14.31
Fiji Islands	Fiji $	1.6700
Finland	Markka	8.325
France	French Franc	11.12
French C'ty in Af	C.F.A. Franc	556.0
French Guiana	Local Franc	11.12
French Pacific Is.	C.F.P. Franc	190 (sg)
Gabon	C.F.A. Franc	556.0
Gambia (S)	Dalasi	4.0
Germany (East)	Ostmark	4.2775
Germany (West)	Deutsche Mark	4.2775
Ghana	Cedi	5.12
Gibraltar (S)	Gibraltar £	1.0
Greece	Drachma	111.5195
Greenland	Danish Kroner	14.31
Grenada (S)	E. Caribbean $	5.03
Guadaloupe	Local Franc	11.12
Guam	U.S. $	1.8615
Guatemala	Quetzal	1.8615
Guinea Republic	Syli	40.20
Guinea Bissau	Peso	71.70
Guyana (S)	Guyanese $	5.6080
Haiti	Gourd	9.3075
Honduras Repub.	Lempira	3.75
Hong Kong (S)	H.K. $	10.9425
Hungary	Forint	64.944
Iceland (S)	I. Krona	17.715
India (S)	Ind. Rupee	17.10
Indonesia	Rupiah	1,178.1
Iran	Rial	150.75 (sg)
Iraq	Iraq Dinar	0.55245
Irish Republic (k)	Irish £	1.24426
Israel	Shekel	31.50
Italy	Lira	2,333.0
Ivory Coast	C.F.A. Franc	556.0
Jamaica (S)	Jamaica Dollar	3.3197
Japan	Yen	433.0
Jordan (S)	Jordan Dinar	0.632
Kampuchea	Riel	2,234.0
Kenya (S)	Kenya Shilling	18.42
Kiribati	Australian $	1.7035
Korea (Nth)	Won	1.80
Korea (Sth)	Won	1,259.24
Kuwait (S)	Kuwait Dinar	0.531
Laos	New Kip	18.615
Lebanon	Lebanese £	8.8290
Lesotho	Loti	1.8155
Liberia	Liberian $	1.8615
Libya	Libyan Dinar	0.5510
Liechtenstein	Swiss Franc	3.4925
Luxembourg	Lux Franc	74.30
Macao	Pataca	11.35
Madeira	Portug'se Escudo	125.95
Malagasy Republic	MG Franc	556.0
Malawi (S)	Kwacha	1.7150
Malaysia (S)	Ringgit	4.25635
Maldive Islands (S)	Mal Rupee	7.5490
Mali Republic	Mali Franc	1,112.0
Malta (S)	Maltese £	0.741
Martinique	Local Franc	11.12
Mauritania	Ouguiya	91.35
Mauritius (S)	M. Rupee	19.55
Mexico	Mexican Peso	49.50
Miquelon	C.F.A. Franc	556.0
Monaco	French Franc	11.12
Mongolia	Tugrik	(n) 6.01
Montserrat	E. Caribbean $	5.03
Morocco	Dirham	10.14 (sg)
Mozambique	Metical	58.15
Nauru	Australian Dollar	1.7035
Nepal	Nepalese Rupee	24.70
Netherlands	Guilder	4.7590
Netherland Antilles	Antillian Guilder	3.3320
New Zealand (S)	N. Z. Dollar	2.3340
Nicaragua	Cordoba	18.575
Niger Republic	C.F.A. Franc	556.0
Nigeria (S)	Naira	1.214103 (sg)
Norway	Norway Krone	11.055
Oman Sul'ate of (S)	Rial Omani	0.646
Pakistan	Pakistan Rupee	18.95
Panama	Balboa	1.8615
Papua N. Guinea (S)	Kina	1.3090
Paraguay	Guarani	(O) 233.06 (F) 306.25
Peru	Sol	exc (A) 977.29
Philippines	Philippine Peso	15.25
Pitcairn Islands (S)	£ Sterling / New Zealand $	2.3340
Poland	Zloty	(Cm) 151.58 (T) 151.38
Portugal	Portugu'se Escudo	125.95
Puerto Rico	U.S. $	1.8615
Qatar (S)	Qatar Ryal	6.81
Reunion Ile de la	French Franc	11.12
Romania	Leu	(Cm) 8.29 (nc) 20.40
Rwanda	Rwanda Franc	177.68
St. Christopher (S)	E. Caribbean $	5.03
St. Helena	St. Helena £	1.0
St. Lucia	E. Caribbean $	5.03
St. Pierre	Local Franc	11.12
St. Vincent (S)	E. Caribbean $	5.03
Salvador El	Colon	4.67
Samoa American	U.S. $	1.8615
San Marino	Italian Lira	2,333.0
Sao Tome & Prin.	Dobra	73.75
Saudi Arabia	Ryal	6.39
Senegal	C.F.A. Franc	556.0
Seychelles	S. Rupee	11.74 (sg)
Sierra Leone (S)	Leone	2.2149
Singapore (S)	Singapore $	3.8935
Solomon Islands (S)	Solomon Is. $	1.6705
Somali Republic	Somali Shilling	(1) (A) 11.82
South Africa (S)	Rand	1.8195
South West African Territories (S)	S. A. Rand	1.8195
Spain	Peseta	184.75
Spanish ports in North Africa	Peseta	184.75
Sri Lanka (S)	S. L. Rupee	38.50
Sudan Republic	Sudan £	(u) 1.6755
Surinam	S. Guilder	3.3320
Swaziland (S)	Lilangeni	1.8195
Sweden	S. Krona	10.645
Switzerland	Swiss Franc	3.4925
Syria	Syria £	(A) 10.0
Taiwan	New Taiwan $	67.00
Tanzania (S)	Tan. Shilling	15.47
Thailand	Baht	42.76
Togo Republic	C.F.A. Franc	556.0
Tonga Islands (S)	Pa'anga	1.7035
Trinidad (S)	Trinidad & Tob. $	4.4676
Tunisia	Tunisian Dinar	0.952 (sg)
Turkey	Turkish Lira	[illegible]
Turks & Caicos	U.S. $	1.8615
Tuvalu	Australian $	1.7035
Uganda (S)	Uganda Shilling	160.0
United States	U.S. Dollar	1.8615
Uruguay	Uruguay Peso	(com) 21.80 (fn) 21.81
Utd. Arab Emirates	U.A.E. Dirham	6.87
U.S.S.R.	Rouble	1.3400
Upper Volta	C.F.A. Franc	556.0
Vanuatu	Vatu / Aust. Dollar	176.95 / 1.7035
Vatican	Italian Lire	2,333.0
Venezuela	Bolivar	8.01
Vietnam	Dong	[illegible]
Virgin Islands U.S.	U.S. Dollar	1.8615
Western Samoa (S)	Samoan Tala	2.1130
Yemen (Nth)	Ryal	8.45 (sg)
Yemen (Sth)	S. Yemen Dinar	(A) 0.6365
Yugoslavia	New Y Dinar	82.4361
Zaire Republic	Zaire	10.418457
Zambia	Kwacha	1.6650
Zimbabwe	Zimbabwe $	1.3565

*That part of the French community in Africa formerly French West Africa or French Equatorial Africa. † Rupees per pound. § General rates of oil and iron exports 78.20. ** Rate is the transfer market (controlled). †† Now one official rate. (U) Unified rate. Applicable on all transactions except countries having a bilateral agreement with Egypt and who are not members of IMF. (3) Based on gross rates against Russian rouble. (?) Parallel exchange rate for essential imports. (2) Exports, non-essential imports and transfer. (3) Now one rate.

NEW HIGHS AND LOWS FOR 1981/2

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981-82.

NEW HIGHS (102)

INT BANK AND O'SEAS GVT STLG ISSUES (1)
CMWLTH AND AFRICAN LNS (2)
AMERICANS (2)
BANKS (2)
BUILDINGS (15)
CHEMICALS (5)
DRAPERY AND STORES (3)
ELECTRICALS (7)
ENGINEERING (6)
INDUSTRIALS (23)
INSURANCE (1)
MOTORS (2)
NEWSPAPERS (1)
PAPER (3)
PROPERTY (5)
SHOES (1)
TEXTILES (4)
TRUSTS (18)
OVERSEAS TRADERS (1)
RUBBERS (1)
TEAS (1)

NEW LOWS (6)

CANADIANS (1)
Hollinger
BUILDINGS (1)
Lafarge Coppee
FOODS (1)
Barrow Milling
OIL AND GAS (2)
Caledonian Oil Osprey Pet
MINES (1)
Renison Dld

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	1	87	4
Corpns., Dom. and Foreign Bonds	18	13	43
Industrials	295	260	802
Financial & Props.	169	74	270
Oils	18	38	54
Plantations	2	1	21
Mines	20	52	95
Others	76	24	48
Totals	597	549	1,337

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb 1	Feb 12	May 13	May 24
Feb 22	Mar 5	June 3	July 14
Mar 8	Mar 19	June 17	June 28

For rate indications see end of Share Information Service

Stocks favoured for the call included BSG, Exco, Woodside, Turner and Newall, Wimpey, Linread, Town and City Properties, Nimslo, Westminster Properties, FNFC, P & O Deferred, Redland, William Press, Henry Ansbacher, Brengreen, M.L.H., Pancontinental, Oil Co of Australia, John Brown, Percy Lane and Kwik-Fit. No puts were reported, but double options were struck in GEC, FNFC and Ferranti.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

	Mon Feb 1 1982	Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Fri Jan 29 Index No.	Thur Jan 28 Index No.	Wed Jan 27 Index No.	Tue Jan 26 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (210)	378.70	-0.7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2	Building Materials (25)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	Contracting, Construction (28)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Electricals (31)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Engineering Contractors (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	Mechanical Engineering (67)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	Metals and Metal Forming (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9	Motors (21)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	Other Industrial Materials (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21	CONSUMER GROUP (196)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22	Brewers and Distillers (21)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25	Food Manufacturing (22)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26	Food Retailing (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27	Health and Household Products (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29	Leisure (24)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32	Newspapers, Publishing (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33	Packaging and Paper (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34	Stores (46)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35	Textiles (25)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36	Tobaccos (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39	Other Consumer (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41	OTHER GROUPS (79)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42	Chemicals (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44	Office Equipment (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45	Shipping and Transport (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	Miscellaneous (46)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	INDUSTRIAL GROUP (487)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51	Oils (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59	500 SHARE INDEX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61	FINANCIAL GROUP (117)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62	Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63	Discount Houses (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	Insurance (Life) (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	Insurance (Composite) (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67	Insurance Brokers (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68	Merchant Banks (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69	Property (49)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	Other Financial (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71	Investment Trusts (112)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81	Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91	Overseas Traders (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99	ALL-SHARE INDEX (750)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

PRICE INDICES	Mon Feb 1	Day's change %	Fri Jan 29	xd adj. today	xd adj. 1982 to date
British Government					
1 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 5-15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Over 15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Irredeemables	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 All stocks	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Debentures & Loans	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 Preference	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Flat yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, [illegible]

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314
AHR Gilt Trust ......[87.0 91.9 -0.7 13.27

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex
Brentwood (0277) 211459 & 229123

Chieftain Trust Managers Ltd (a) (g)
11, New St., EC2M 4TP. 01-283 2632

American (z)		29.2	+0.6	1.63
Far Eastern Tst. (z)	41.6	45.3	+0.4	1.22
Basic Resources Tst.		52.0	+0.4	1.44
Smaller Co's Trust	29.9	32.4	+0.5	3.33

Chesterton Fund Managers (g)
57-63, Princess St., Manchester. 061-236 5685

Growth	16.1	17.6	.....	3.72
High Income	29.1	32.4	.....	11.27

Confederation Funds Mgt. Ltd. (a)
50, Chancery Lane, WC2A 1HE. 01-242 0282
Growth Fund ......[78.8 82.9 ..... 5.63

Craigmount Unit Tst. Mgrs. Ltd.
Bucklersbury, London EC4N 8BD. 01-248 4984

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 3492

Darlington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

FT UNIT TRUST INFORMATION SERVICE

L & C Unit Trust Management Ltd.
The Stock Exchange, London EC2N 1HA 588 2800

Legal & General (Unit Tst., Mngrs.) Ltd.
5 Rayleigh Rd., Brentwood 0277 217238

Equity Dis.	97.9	105.8	-0.9	4.36
Gilt	118.8	125.0	-0.9	7.68

Leonine Administration Ltd.
2, St. Mary Axe, EC3A 8BP. 01-623 6114

Leo Distribution	125.3	133.0	.....	0.43
Leo Accum.	148.3	157.4	.....	0.43

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)
Registrar's Dept., Goring-by-Sea, Worthing, West Sussex 01-623 1288

Balanced	78.9	84.0	-0.4	4.48
Do. (Accum.)	123.7	133.0	-0.6	4.48
Do. (Accum.)	119.4	128.3	+0.4	2.17

Lloyd's Life Unit Tst. Mngrs. Ltd.
2, St. Mary Axe, EC3A 8BP. 01-623 6114
Equity Accum. (2) ......[281.5 296.3 ..... 4.02

Local Authorities' Mutual Invest. Tst.*
77, London Wall, EC2N 1DB. 01-588 1815

*Unauthorised. Available only to Local Authorities.

M & G Group (y)(c)(z)
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588

Save & Prosper Group
4, Great St. Helens, London EC3P 3EP
68-73 Queen St., Edinburgh EH2 4NX
Dealings to: 01-554 8899 or 031-226 7351

International Funds

High Income Funds

U.K. Funds

Overseas Funds (z)

Sector Funds

Fixed-Interest Fund (z)

Exempt Funds

Exempt Income*	197.7	208.7	.....	7.09

Prices at Jan 27. Next sub day Feb 10.

Scotbits Securities Ltd.

Scotbits	49.3	53.2	.....	
Scotshares	84.9	91.7	.....	

Schroder Unit Trust Managers Ltd.
48, St. Martins Lane, WC2.

INSURANCE PROPERTY BONDS

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1981-82 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
107	99¼	Treasury 14pc '82‡‡	99½	+⅛	14.01	14.19
99⅞	98½	Treas. Variable '82‡‡	99⅞	......	14.03	14.08
97⅞	93½	Treasury 8¾pc '82	97⅝	−⅛	8.45	14.24
96⅞	93½	Exch. 9¼pc 1982	96⅝	−⅛	9.57	14.88
95¼	92⅝	Exch. 8¾pc 1983	95⅝	−⅛	9.15	13.91
93⅛	84⅞	Exch. 3pc 1983	93xd	−⅛	3.23	10.20
99⅞	95	Treasury 12pc 1983‡‡	97⅛	−¼	12.36	14.85
99⅝	96¼	Treas. Variable '83 ‡‡	99⅝	......	14.06	14.23
95½	90⅝	Treasury 9½pc '83	95¼	−¼	9.71	12.74
101⅜	95¼	Exch. 13½pc '83	99¼	−¼	13.60	13.91
94¾	89¼	Exch. 10pc 1983	94½	−¼	10.58	13.39
89¼	83½	Funding 5½pc '82-84‡‡	89	−¼	6.18	11.98
96¾	90	Exch. 11¼pc 1984	95½xd	−½	11.83	14.10
103⅜	95¼	Exchequer 14pc 1984	99	−½	14.14	14.49
84½	77	Exch. 3pc 1984	83¾	−⅝	3.58	10.94
98¾	90½	Treasury 12pc 1984	94	−½	12.77	14.78
107¼	95⅞	Treasury 15pc 1985	99¾xd	−⅝	15.09	15.13
96⅞	88¼	Exch. 12pc Cnv. '85	91¾	−⅝	13.08	15.38
77¼	71	Treasury 3pc 1985	76⅞	−¼	3.98	11.64
96⅜	85¼	Treasury 11½pc 1985	90¼	−⅝	12.74	15.25
98⅞	87⅝	Exch. 12¼pc 1985	91¼	−⅝	13.42	15.34
97⅛	84¼	Exch. 11¾pc '86	89⅜xd	−¼	13.15	15.38
73	65¾	Treasury 3pc 1986	72½	−¼	4.14	11.24
97⅜	84½	Treasury 12pc '86	89¼	−¼	13.45	15.46
88⅜	78½	Treasury 8½pc '84-86‡‡	82½	−¼	10.30	13.92
95⅞	91¾	Exch. 14pc 1986	94⅝	−¼	14.78	15.39
103¾	90	Exch. 13¼pc 1987	92¼	−¼	14.29	15.39
		Five to Fifteen Years				
81¾	71⅛	Funding 6½pc '85-87‡‡	76¼	−½	8.56	13.23
64⅞	64½	Treasury 3pc 1987	64⅝	−⅛	4.66	12.11
91	81½	Treas. 12pc 1987	89⅝	−1⅛	13.33	15.72
81⅛	72¼	Treasury 7¾pc '85-88‡‡	75½	−⅜	10.32	14.03
65½	58⅝	Transport 3pc '78-88	62½	−½	4.82	11.48
92¾	79	Treasury 11½pc 1989	82¼xd	−1	13.28	15.60
67¼	59⅞	Treasury 5pc '86-89	65⅝	−¼	7.86	12.48
101½	85¼	Treasury 13pc 1990‡‡	89⅛	−1⅛	14.69	15.56
95⅜	81⅝	Exch. 12½pc 1990	90	−1	14.63	15.72
80⅞	69⅞	Treasury 8¼pc '87-90‡‡	72¼	−½	11.52	14.12
93⅛	77¼	Treasury 11¾pc 1991	82¼	−1	14.42	15.65
66¾	57	Funding 5¾pc '87-91‡‡	62¼	−½	9.53	13.37
90	72⅞	Exch. 11pc 1991	80⅞	−¾	14.13	15.45
98⅞	81¼	Treasury 12¾pc '92‡‡	86¼	−⅞	14.76	15.47
82⅞	69⅞	Treasury 10pc 1992	73¾xd	−¾	13.56	15.18
94⅞	79	Exch. 12¼pc '92	82¾xd	−¾	14.67	15.49
101½	84¼	Exchequer 13½pc '92	93⅞	−1	15.20	15.67
96¾	79¾	Treasury 12½pc '93‡‡	85¼	−⅞	14.78	15.40
63⅞	53¼	Funding 6pc 1993‡‡	59⅛	−½	10.56	13.44
105¼	84	Treasury 13¾pc 1993‡‡	93¼	−⅞	15.18	15.49
107¼	90⅝	Treasury 14½pc '94‡‡	93⅞xd	−⅞	15.27	15.45
104¾	82⅞	Exchequer 13½pc 1994	91⅞	−⅞	15.39	15.65
95⅞	79¼	Exch. 12½pc 1994	83¼xd	−¾	14.89	15.46
79¾	63¼	Treasury 9pc '94‡‡	70⅜	−¾	13.14	14.46
84⅝	75⅞	Treasury 12pc '95	81⅛	−1	14.79	15.40
51¾	42	Gas 3pc '90/95	45⅛	−⅜	6.76	11.13
83	68	Exch. 10¼pc 1995	72½	−¾	14.28	15.16

Over Fifteen Years

Undated

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

1981-82 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
100⅛	92¼	Aust. 5½pc '81-82	100⅛	+⅛	5.59	14.72
87¾	82½	Do. 6pc 1981-83	87¾	+½	6.91	14.36
67¼	57	N.Z. 7¼pc 1988-92	59½	+½	12.28	15.20
81¾	74	Do. 7½pc '83-86	76¾	+½	9.89	15.22
141	115	S. Rhod. 2½pc Non-Ass.	140	......	—	—
66	43	Do. 3½pc 80-85 Asstd.	66	......	5.41	16.20
43	26	Do. 4½pc 87-92 Asstd.	35xd	−1	13.70	20.60
395	320	Zimbabwe Ann (£100pa)	350	......	—	25.61

LOANS

Public Board and Ind.

Financial

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INSURANCE

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

1981/82 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
650	90	Falcon Rh.50c	93	......	Q25c	10.3	20.0
135	60	Roan Cons. K4	78	......	♦Q0.13	5.0	—
59	25	Wankie Col. Rh.1	28	......	Q3c	1.2	8.0
32	19	Zam.Cpr.SBD0.24	19	......	—	—	—

Australian

Tins

Copper

Miscellaneous

330	200	Cons. Murch. 10c.	290	......	Q60c	♦	11.0
10	5	‡‡Explaura Gold	7½	......	—	—	—
98	47	††Hemerdon 10c.	63	......	—	—	—
180	65	Highwood Res.	85	......	—	—	—
505	205	Northgate C$1	215	......	—	—	—
633	372	R.T.Z.	465	......	16.0	2.3	4.9
£130½	£93½	Do.9¼%Cv.Ln.'95-2000	£107	+½	Q9½%	—	f9.0
103	13	††SPO Minerals 10p	18	......	—	—	—
47	15	Sabina Inds. C$1	18	+2	—	—	—
44	21	✱Southwest C. 10p	30	......	—	—	—
650	410	Tara Explo. $1	450	+25	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ✱ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ✱✱ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	42	......	**IRISH**		
Bertrams	17	......	Conv. 9% '80/82	£94½	+⅛
Bdg'wtr. Est. 50p	415	......	Nat. 9¾% 84/89	£64⅝	......
Craig & Rose £1	£12⅞	......	Fin. 13% 97/02	£72⅝	......
Finlay Pkg. 5p	26½	......	Alliance Gas	75	......
Graig Ship. £1	£23	......	Arnott	230	......
Higsons Brew	63	−5	Carroll (P.J.)	77	......
Holt (Jos) 25p	550	......	Concrete Prods.	90	......
I.O.M. Stm. £1	132	−10	Heiton (Hldgs.)	29	......
Pearce (C. H.)	£18¼	+⅛	Irish Ropes	37	......
Peel Hldgs.	116	......	Jacob	61	......
Sheff. Refrshmt	85	......	T.M.G.	13	......
Sindall (Wm.)	200	......	Unidare	55	......

OPTIONS

3-month Call Rates

Industrials					
		House of Fraser	13	Utd. Drapery	6½
Allied-Lyons	6½	I.C.I.	18	Vickers	15
BOC Intl.	11	"Imps"	5	Woolworths	4½
B.S.R.	7½	I.C.L.	5	**Property**	
Babcock	9	Ladbroke	13		
Barclays Bank	36	Legal & Gen.	20	Brit. Land	7
Beecham	17	Lex Service	9	Cap. Counties	10
Blue Circle	38	Lloyds Bank	28	Land Secs.	30
Boots	18	"Lofs"	3½	MEPC	20
Bowaters	19	London Brick	6½	Peachey	15
Brit. Aerospace	17	Lucas Inds.	18	Samuel Props.	13
B.A.T.	28	"Mams"	11	Town & City	2¼
Brown (J.)	8	Mrks. & Spncr.	10	**Oils**	
Burton Ord.	12	Midland Bank	26		
Cadburys	9	N.E.I.	7	Brit. Petroleum	28
Courtaulds	5½	Nat. West. Bank	30	Burmah Oil	11
Debenhams	7	P & O Dfd.	9	Charterhall	6
Distillers	16	Plessey	26	KCA	19
Dunlop	6½	Racal Elect.	34	Premier	7
Eagle Star	25	R.H.M.	7	Shell	28
F.N.F.C.	4	Rank Org. Ord.	14	Tricentrol	25
Gen. Accident	30	Reed Intnl.	23	Ultramar	40
Gen. Electric	55	Sears	5	**Mines**	
Glaxo	32	Tesco	5		
Grand Met.	15	Thorn EMI	30	Charter Cons.	21
G.U.S. 'A'	36	Trust Houses	11	Cons. Gold	40
Guardian	30	Tube Invest.	12	Lonrho	7
G.K.N.	12	Turner & Newall	7½	Rio T. Zinc	45
Hawker Sidd	25	Unilever	50		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 26

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES

Tuesday February 2 1982

U.S. to pay banks $71m for Polish loans

BY REGINALD DALE IN WASHINGTON AND ALAN FRIEDMAN IN LONDON

THE REAGAN Administration is to pay $71.3m (£38m) of principal and interest payments to U.S. banks which are owed the money by Poland under a U.S. food loan guarantee scheme. The payment forms part of a total $1.6bn in loans provided or guaranteed by the U.S. Agricultural Department to fund grain purchases.

The decision, which opens the way for payment to the banks of $396.5m of Government-guaranteed debt which Poland is due to pay this year, was followed by an announcement by the Administration that it will not press for a declaration of Polish default for the time being.

A fierce argument has raged in Washington over whether the Government's payments to U.S. banks should be accompanied by a requirement that the banks declare Poland officially in default and start impounding the country's overseas assets.

The threat of a default declaration has been seen by some officials in Washington as the only way the U.S. could exert effective pressure on its European allies to take a tougher line against Moscow and Warsaw in retaliation for the Polish military repression. West European governments and banks have made very large loans to Poland which would be at risk if any default is declared.

The Administration has concluded that a default declaration could be counterproductive.

In Europe, bankers involved in the rescheduling of Polish commercial debt said a formal U.S. declaration would have been ineffectual. "The U.S. is simply recognising a fact of life. They have finally realised that declaring Poland in default doesn't get you anywhere," commented one banker involved in the talks.

The Export Credit Guarantee Department in London said it had agreed to make payments to UK banks which had provided Government-backed loans to Poland. A total f £60m would be paid out for debt which fell due during last year.

David Lascelles adds from New York: Mr Beryl Sprinkel, U.S. Treasury Under-secretary for Monetary Affairs, yesterday gave two reasons for the Government's decision not to declare Poland in default.

One was that other creditor governments in Europe might not follow suit if the U.S. declared Poland in default. The second reason would be the strain that default would place on the international monetary system, which would damage the West as well as the Communist bloc.

OECD warns of protectionism risk

BY DAVID WHITE IN PARIS

THE FRENCH Government's efforts to help troubled industries could draw the rest of the world into a new phase of increased protectionism, the Organisation for Economic Co-operation and Development warns in a report published today.

In its first full review of the French economy since the Mitterrand administration took office last year, the OECD says that the Government, in its attempt to rescue problem sectors, faces "a great temptation to turn to more or less disguised protectionist measures."

The Paris-based body warns strongly against such a course, which, it says may cause trade barriers to escalate.

The warning comes only a few days after a proposal by M Michel Jobert, the French Foreign Trade Minister, that the European Community should be armed with stronger powers to control imports.

The Government has given assurances that it does not intend to act against imports from elsewhere in the Community, following attacks on its trade policy from EEC partners last week.

The OECD is also concerned about the possible impact of France's growth drive on the country's competitiveness and about the "serious danger of a price-wage spiral."

It says that the Government's goals—a revival of investment, fuelled by higher consumption, combined with moderation in wage increases—are "not out of reach" and that higher employment is "not incompatible" with lower inflation.

But, it adds, the policy will succeed only "under certain conditions" and could run into problems, either as a result of international factors or because of higher pay demands next year.

The report, updated since going through an OECD review committee in December, confirms an earlier forecast of a growth rate of 2.5 per cent for France this year, compared with the Government's 3 per cent target.

It predicts that investment will not pick up as quickly as planned. At the same time, it expects inflation to be higher than the Government targets. At around 13.75 per cent, it will be roughly in line with last year's rate, the report says.

The OECD says it is vital that the Government should clarify its intentions for taxation, aids and subsidies to the private sector, and operating procedures in the nationalised sector.

Plans for the enlarged public sector have been held up as a result of the constitutional wrangle over the terms of nationalisation.

"The present climate of uncertainty may have negative effects on investment or even hiring decisions," the report says.

The report says that the country's balance of payments deficit—French Government figures showed an increased current account deficit of FFr 42.6bn (£3.8bn) last year—is likely to remain large. It should not get worse, unless the international situation turns out to be more depressed than expected.

The OECD supports official predictions that unemployment—currently more than 2m—will steady during the course of the year. It has reservations about the Government's "work-sharing" schemes. The introduction of a 39 hour week may be a way of creating jobs, it says, but only if plant is better utilised and workers accept "a more moderate trend" in wages.

Many of the working week agreements drawn up so far do not provide for any reduction in pay for the shorter week.

Brokers in £21.5m international link-up

By William Hall, Banking Correspondent

MILLS AND ALLEN International, the financial services and advertising group, has agreed to buy Guy Butler, the UK money broker, and the Chapdelaine Group, a leading U.S. Government securities dealer.

The two deals, worth a total of £21.5m, will place the group among the world's top three international money brokers.

Mills and Allen, which was born in 1977 out of the rump of the ill-fated fringe bank, J. H. Vavasseur, already earns over a third of its profits from Harlow Meyer Savage, a leading international money broker.

The acquisition of Guy Butler, which is especially strong in the UK, will boost the contribution from money broking to some two-thirds of total profits. These totalled £11.5m, pre-tax in the year to the end of June.

Sime Darby, the Malaysian-based plantation and trading group, has agreed to sell Guy Butler for £10.75m. It will take 1.5m shares in Mills and Allen, giving it a 10.7 per cent stake in the enlarged share capital, and £3.53m cash.

Guy Butler made pre-tax profits of £2.1m in the year to end June 1981 and has net assets of £1.1m.

It is intended that Guy Butler and Harlow Meyer Savage will continue to operate independently but will, where appropriate, benefit from each other's broking network.

The deal also involves Mills & Allen taking over the Robert Bradford Insurance broking group, which is controlled by Guy Butler.

In the nine months to end-November 1981, Chapdelaine made pre-tax profits of $3.2m (£1.7m) before bonus payments which in future years will amount to approximately one-third of pre-bonus profits.

Mills & Allen International's shares rose 18p to 508p yesterday.

U.S. stresses need for revitalised trading system

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

THE U.S. Government yesterday hardened its demand for liberalising worldwide movement of capital and for greater freedom of trade in services.

In a major policy speech, setting out the U.S. trade agenda for the 1980s, Mr William Brock, the U.S. Trade Representative, pleaded for greater access to markets and warned that neither Congress nor the Administration would continue to tolerate unfair trading practices.

Mr Brock told 450 executives at the annual Davos symposium of the European Management Forum that the U.S. will use next November's ministerial meeting of the General Agreement on Tariffs and Trade (Gatt) to initiate a revitalised trading system.

The trading nations should look again at how to cope with imports surges. They must "perfect arrangements for trade in agriculture," said Mr Brock. The U.S. has consistently opposed EEC subsidisation of farm exports. Trading nations should also devise better methods of including the developing countries in the world trading system.

They should also focus on trade in high technology products and on improving methods of dealing with non-market economies.

These demands reflect U.S. concern to open markets for its own trading interests and the belief that choices made in 1982 are pivotal for the future of the world economic order.

"If we do not move forwad we slide back. Either together we build the trading system of the future or we will each be condemned to rebuild the walls of the past,"

For the Reagan Administration, the key test of willingness is the way in which preparations are made for the Gatt ministerial meeting, in which connection U.S. officials are annoyed with the EEC.

In a guarded reference to what U.S. officials see as the EEC's preoccupation with internal affairs, Mr Brock said those who think the conference "should function as a ceremonial confirmation of the status quo have misjudged the temper of the times."

But Mr Brock also indicated U.S. frustration with Japan when he addressed growing demands in the U.S. for trade reciprocity, a vague word usually taken to mean that the U.S. should allow access to its market only on the same conditions as it receives access to the market of a trading partner.

"Neither Congress nor the President can continue to tolerate unfair trading practices which adversely affect either our domestic market or our opportunity to trade elsewhere."

Yen's position blamed on U.S., Page 3; Japan may import U.S. oil and gas, Page 4; Brock attacks Europe's disunity, Page 4; Men and Matters, Page 14.

Tin market problems to be reviewed

By John Edwards

THE LONDON Metal Exchange is expected to announce today how it plans to deal with "abnormalities" in the tin market.

A special meeting to be held today follows a series of inquiries into the activities of an unidentified buying group which has forced up the price of tin to record levels.

The group is believed to be acting on behalf of producing countries, particularly Malaysia.

The Exchange's board and committee will meet at 11 am, and a special meeting of all 29 ring-dealing members of the Exchange will be held immediately afterwards. Any decision will be announced before the start of official ring-trading at midday.

There is increasing concern over two delivery dates this month (February 25 and 26) when acute shortage of available tin supplies could distort the market even further.

Artificially high premiums are already being paid for tin deliveries this month since the buying group holds most of the available tin.

The particular problems with the February 25 and 26 delivery dates follow the dramatic switch by the buying group in late November to buying actual tin, instead of paper contracts for delivery three months ahead.

This sudden change of policy resulted in millions of pounds in "windfall" profits and losses for traders on the Exchange.

But it also left some companies needing to buy large quantities of tin to cover earlier paper sales. Some held on in the hope that the group's buying campaign would collapse because of the huge costs. This has not happened and the day is now fast approaching when the contracts have to be honoured.

Under the Exchange's regulations, action can be taken to avoid undue disruption of the market. Trading could be suspended or restricted and the Exchange could force outstanding contracts to be honoured at a specified price.

Continued from Page I

ICI £12.8m offer

gers in the industry. According to Mr Michael Levete, director of the Paintmakers' Association, there had been more mergers in months than in the past 20 years.

The acquisitions were largely by companies already involved in paint-making and partly reflected the growing competition in specialist paints. ICI is so far only marginally represented in the sector.

Holden, an aggressively independent company, has traditionally been closely linked with Metal Box, Britain's largest packaging company. Last year, however, Metal Box cut its stake in Holden by about a third to 9.3 per cent.

ICI becomes the fourth specialist paints company with a stake in Holden. Besides Metal Box, the others are Manders, part of Manders Holdings, the group with large property interests in Wolverhampton, and Joseph Mason, a Derby company which specialises in industrial paint.

Continued from Page I

Pressure on Opec

affected by the worldwide surplus of oil production and the weak market. The spot price of Forties Field oil has fallen to between $33.50 and $33.75 a barrel compared with the official contract price of $36.50. This time last year Forties Field oil was $39.25 a barrel.

The spot prices of Middle East crudes have also fallen sharply in the past fortnight. Arab Light oil — used as a reference by Opec—has been sold at $33.25 a barrel. A few weeks ago the spot price of Arab Light crude was substantially above the official rate of $34 a barrel.

Continued from Page I

Dollar climbs

banking statistics showing that the U.S. banking system was unusually short of reserves last week. This suggests that the Central Bank was deliberately keeping the banks on a short leash in an apparent effort to restrain the growth of money and credit.

Some analysts disputed this view, arguing that the statistics had been distorted by seasonal and technical factors. But the markets were unconvinced.

The pound's resilience allowed the Bank of England to make a further cautious move towards lowering UK interest rates. It cut a further $\frac{1}{16}$ percentage point from its bill dealing rates on the London money market yesterday morning. But the rise in U.S. interest rates dictated the overall trend, and sterling inter-bank interest rates finished the day about $\frac{1}{16}$ point higher than on Friday.

BP may abandon Nigeria plant

BY QUENTIN PEEL, AFRICA EDITOR

BRITISH PETROLEUM is believed to be withdrawing from Nigeria's multi-billion pound scheme to develop a liquefied natural gas (LNG) export industry.

BP is reported in Lagos to have told the Nigerian Government that it will not renew its shareholding in Bonny LNG—the six-company consortium behind the project—when the current partnership agreement expires this month.

Bonny LNG has been planning to build a plant near Port Harcourt to liquefy some 1.6bn cubic feet a day of natural gas by the mid-1980s. But the project—costing some $14bn (£7.5bn)—has been repeatedly held up by financing and other problems.

BP's decision, coming on top of the withdrawal last September of Phillips Petroleum as operator of the Bonny scheme, is likely to result in the winding up of the consortium company, which also includes Shell, Elf and Agip, as well as the Nigerian National Petroleum Corporation.

However, it is understood that an important announcement on the future of the project will be made by Nigeria in the next few days.

Major modifications to the organisation phasing and financing of the huge project are expected but Nigeria is believed to be still committed in principle to the scheme.

BP is said to have offered to sell its shareholding in Bonny to the other members of the consortium. But its offer was described yesterday as "very onerous."

BP and Shell each have a 10 per cent stake in Bonny, while Phillips and Agip have 7.5 per cent and Elf 5 per cent. The remaining 60 per cent is held by the state-owned NNPC.

All three remaining international oil companies in the scheme are also involved in oil production in Nigeria—unlike BP and Phillips. Each of the three has submitted proposals to Government on how it would implement the Bonny scheme if it took over as operator from Phillips.

According to the current plan the scheme would involve six process units, or "trains," with a total output of some 1.6bn cubic feet a day. A scaled-down version involving three "trains" would reduce the initial capital cost to between $9bn and $10bn.

Oil industry officials say it would now be simpler to disband the present consortium and form a new one, rather than to transfer the Phillips and BP shares to the remaining partners.

The consortium has reached agreement with European buyers to sell the LNG it would produce, although no final deal has been signed.

Martin Dickson adds: BP's London headquarters would say last night only that the company was discussing the Bonny project with its partners and a decision on its future would be taken shortly.

Weather

UK TODAY

CLOUDY but mild with bright intervals and drizzle in places.

London, E. and S.E. England, W. Midlands and Channel Islands
Cloudy with sunny periods. Max. 11C (52F).

Rest of England, Scotland, Wales and N. Ireland
Cloudy with occasional rain or drizzle. Max. 11C (52F).

Outlook: Mild with outbreaks of rain or drizzle.

WORLDWIDE

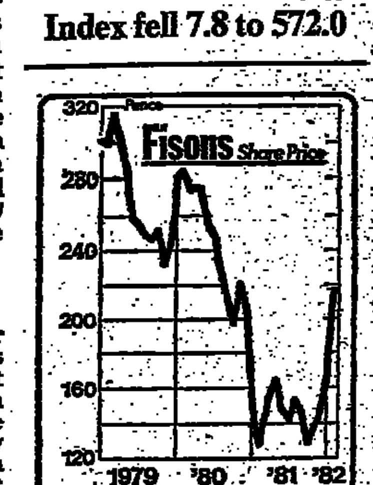
		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	14	57	Luxmbg.	S	1	34
Algiers	S	17	63	Luxor		—	—
Amsdm.	S	5	41	Madrid	S	8	46
Athens	C	8	46	Majorca	S	17	63
Bahrain		—	—	Malaga	S	17	63
Barcina.	S	14	57	Malta	C	16	61
Beirut	F	16	61	M'chstr.	C	8	46
Belfast	C	9	48	Melbne.		—	—
Belgrd.	F	1	34	Mx. C.†		—	—
Berlin	S	−1	30	Miami†	F	23	73
Biarritz	C	9	48	Milan	S	6	43
Bmghm.	C	9	48	Montrl.†	Sn	−10	14
Blackpl.	C	9	48	Moscow	C	−7	19
Bordx.	S	10	50	Munich	S	1	34
Boulgn.	C	7	45	Nairobi	F	30	86
Bristol	C	9	48	Naples	S	12	54
Brussels	S	6	43	Nassau		—	—
Budpst.	F	1	34	Nwcstl.	C	10	50
Cairo	F	19	66	N York†	F	11	52
Cardiff	C	8	46	Nice	S	15	59
Cas'b'ca	S	14	57	Nicosia	F	15	59
Cape T.	S	25	77	Oporto	C	9	48
Chicg.†	C	−18	0	Oslo	C	6	43
Cologne	S	4	39	Paris	C	8	46
Cpnhgn.	S	−4	25	Perth	S	38	100
Corfu	S	13	55	Prague	S	1	34
Denver†	Sn	−2	28	Rykjvk.	Sn	2	36
Dublin	F	10	50	Rhodes	R	14	57
Dbrvnk.	S	6	43	Rio J'o†		—	—
Ednbgh.	F	9	48	Rome	C	12	54
Faro	S	15	59	Salzbrg.	S	3	37
Florence	S	2	36	S F'cisc†	C	6	43
Funchal		—	—	S. Moritz		—	—
Geneva	S	7	45	Singapr.		—	—
Gibraltar	S	16	61	S'tiago†		—	—
Glasgow	C	9	48	Stckhm.	S	−9	16
G'rnsey	C	8	46	Strasbg.	S	4	39
Helsinki	S	−8	18	Sydney		—	—
H. Kong	F	19	66	Tangier	F	16	61
Innsbrk.	S	3	37	Tel Aviv	R	14	57
Invrnss.	F	11	52	Tenerife	S	16	61
I.o.Man	C	8	46	Tokyo	C	8	46
Istanbul	C	3	37	T'ronto†	C	−11	12
Jersey	C	9	48	Tunis	C	14	57
Jo'burg	F	23	73	Valencia	S	15	59
L. Plms.	S	20	68	Venice	S	7	45
Lisbon	C	13	55	Vienna	F	2	36
Locarno	S	9	48	Warsaw	C	−2	28
London	C	10	50	Zurich	C	3	37
L. Ang.†	C	9	48				

C—Cloudy. F—Fair. R—Rain. S—Sunny. Sn—Snow.
† Noon GMT temperatures.

THE LEX COLUMN

No more farming for Fisons

Index fell 7.8 to 572.0



Yet another set of disappointing U.S. money supply figures put the New York markets on the skids yesterday and brought higher prime rates. The London markets could not resist the trend, and gilt-edged lost a point of last week's gains, even though the Bank of England was serenely lowering its money market intervention rates once again.

Fisons

The sale of its fertiliser business to Norsk Hydro looks an excellent deal for Fisons. It stands to receive £50m for a business that lost money before interest in 1980 and probably did no better than break even on trading in 1981. As a result its balance sheet, which was looking badly stretched at the end of 1980, returns to a reasonable level of gearing, despite a sizable equity write-off, and the quality—as well as the absolute level—of earnings will be improved.

The fertiliser business makes much more sense in the hands of Norsk Hydro, which besides its international commitment to the industry has plenty of gas feedstock and ammonia capacity. It does not therefore share the weakness that proved insuperable for Fisons—its considerable cost disadvantage vis-à-vis the UK market leader ICI. Until Fisons closed four plants—and took out £9m of annual fixed costs—early last year, the returns on fertilisers had been deteriorating since the mid-1970s. The business was operating in a static market but had no immediate prospect of generating cash.

A year ago Fisons had £90m of net debt against £125m of equity; after the fertiliser sale—and a small acquisition in peat—net borrowings probably work out around £50m against equity of £110m. The disposal leaves Fisons a predominantly pharmaceutical company better able than for some time to meet the funding needs of its best businesses. Tentative estimates for this year's pre-tax profits now centre around £15m, compared with £7m or so in 1981.

From the stock market point of view Fisons is now a much more desirable animal, particularly since the fertiliser division has been notoriously efficient at deterring potential bidders for the company. Even after yesterday's 36p rise in the share price to 215p, Fisons is only valued at £81m in the market: from being an under-capitalised business with a very shaky dividend trading on 21 times historic earnings, it has become a properly financed pharmaceutical company on a modest prospective multiple of 11¼, yielding a safe 6¼ per cent and a sitting duck for a takeover. If this perception gains ground, so will the shares.

Gopeng Consolidated

Rumours that Gopeng Consolidated was going to be partly taken over by Malaysian interests sent the share price soaring on Friday; the rumour was true, the conclusion was wrong. Instead of being bought at a premium, shares in this tin miner are to be issued to the Perak State Development Corporation at the 25p par value. So the present shareholders will see 30 per cent dilution; the share price shed all its gain and more yesterday, dropping 70p to 560p.

While there may be criticisms of the Gopeng Board's negotiating prowess, Perak threats to stop issuing mining licences must have seemed very convincing in the present climate. On the other hand, net tangible assets are worth less than £1 a share, so most of the valuation depends on present and prospective licences. Under the proposed deal, the company will presumably do better on this front, while the block licence renewal for 10 years will cut out the wasteful piecemeal approach necessary up to now. So there should be at least partial compensation for the dilution in a reversal of the decline in production. The profits trend, of course, is more dependent on whether the present attempt to control the tin price succeeds.

Mills & Allen

After its failure to add a third leg through the acquisition of Letraset, Mills and Allen has fallen back on one of the businesses it already knows. It is already growing fast through Harlow Meyer and acquisition of Guy Butler from Sime Darby and of Chapdelaine, a U.S. debt broker, from its proprietors will put MAI in the Exco league of money brokers.

By recent standards, the price being paid for Guy Butler—roughly 11 times last year's fully taxed earnings—is a very modest one. But MAI is also taking on board the Robt. Bradford Insurance group, which boasts a less than distinguished record.

MAI's last balance sheet showed £18.9m of goodwill against shareholders funds of £28.8m. Roughly one third of the price of these two deals will be met through the issue of equity but MAI will still be inheriting another £20m of intangible assets. Yet, that is the nature of money broking and to judge from the 18p jump in MAI's share price to 508p yesterday, the market will turn a blind eye to its slightly lopsided balance sheet. For Sime Darby, the deal represents the first move in what promises to be a far-reaching change in its loss making western operations.

Arthur Holden

Arthur Holden has looked a prime takeover candidate almost since its flotation four years ago. A series of outside parties have built up strategic stakes in the company but it was the unwelcome attention of Courtaulds, which bought a 12 per cent holding through its International Paints subsidiary, that finally drove Holden into the arms of ICI.

The Holden share price closed at 182p last night, 2p above ICI's cash offer price, so the market is not ruling out the possibility of a counter-offer by Courtaulds or another predator. But with full Board backing and family acceptances totalling 35 per cent, ICI looks almost home and dry.

The £12.8m offer represents a premium of 51 per cent to reported net worth and a multiple of roughly 20 times 1980-81 fully taxed earnings. Holden's profits may be poised for cyclical recovery but ICI is still paying a handsome price. After a long period in the doldrums, specialist paint makers have suddenly burst into the realms of high technology. The share price of International Paint, for example, has more than trebled over the past year.

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